

University of Notre Dame

Review of the Freedom of Association Policy

Worker Participation Committee
May 2015

EXECUTIVE SUMMARY

Since 2001, Notre Dame has had a Freedom of Association Policy (attachment 1) that stipulates Notre Dame licensed products cannot be manufactured in countries with no legal right for workers to organize and form independent labor unions. Eleven countries were identified as having national laws that fail to meet the policy's standards, including China.

In recent years the University has expanded relationships in China in other areas, including academic programs, University purchases, and endowment pool investments. So in 2013, Executive Vice President, John Affleck-Graves invited a committee to help review the policy on freedom of association to see if changes should be made, specifically with regard to China. Early on, the committee acknowledged that the concept of freedom of association does not exist in China and that it is beyond the University's influence to change the laws and practices there and in other countries to allow for full freedom of association. The committee then agreed to determine if any alternative concept could meaningfully guide the University's decisions concerning foreign manufacturing of Notre Dame licensed products. The committee ultimately decided to focus on the concept of *worker participation*, defined as a process by which factory management actively involves and/or engages employees in management and decision making.

The committee also decided to assess several factories to better understand the status of worker participation in China and countries without legal protection of full freedom of association. After careful deliberation, the committee selected Verité to help developing assessment tools and to conduct the factory assessments. Next, existing Notre Dame licensees were invited to nominate factories to be evaluated by Verité, and the committee selected six factories nominated by five licensees.

In the spring of 2014, the committee worked with Verité to develop the tools that would clearly indicate ways in which both line workers and management experience rights and protections. This led to 71 criteria against which all factories were measured as well as an agreed upon standard of acceptable performance against those criteria.

Verité next administered an on-line self-assessment of management and then conducted onsite assessments at each of the six factories, including individual interviews with managers and workers. As a result, Verité determined that two factories met the committee's standards; two required additional improvements to meet the standard; and the remaining two need substantially more capacity building to reach an acceptable level. In addition, seven committee members visited four of the six factories in September 2014 and confirmed the results of the Verité assessments.

In January 2015, the committee took steps to create a campus-wide conversation and dialogue on this issue by scheduling four events: two panel discussions, a Higgins Labor Café, and an Open Forum. The committee also established a website to share the work of the committee and its process of deliberation.

After considering all of the data gathered from the assessments and the valuable feedback received through the four campus-wide events, the committee respectfully submits the following four recommendations:

- 1. That the University conduct a pilot program in China to determine whether worker rights have improved to the extent that selected factories meet and can sustain, over time and under review, a standard of performance acceptable to the University of Notre Dame.**
- 2. That the University engage Verité to conduct an assessment of four to six nominated factories in other countries using the same tools and process used in China.**
- 3. That, during the pilot program, the University should review the current Notre Dame Licensing Code of Conduct (attachment 2) to ensure it addresses other human rights concerns in ways that are consistent with best practice and the principles of Catholic Social Teaching.**
- 4. That the University provide a forum for continuing campus participation and feedback, including the establishment of a student subcommittee to the Worker Participation Committee.**

Throughout the recommended pilot project the committee will continue to gather opinions on possible changes to the existing Freedom of Association Policy in a variety of ways, including, but not limited to:

- A website that brings feedback to the committee;
- Panel discussions that bring together internal and external experts on this topic;
- Encouraging faculty to take this discussion to their classrooms;
- Targeted meetings with groups and departments on campus that have a strong interest in this work, especially with respect to Catholic Social Teaching.

The completion of the pilot program will enable the University to make the following assessments based on the results and the data gathered:

1. Assess the feasibility of allowing Notre Dame licensed products to be manufactured in ways that meet the University's mission and responsibility, even in countries without the legal protection of full freedom of association.
2. Ensure that Notre Dame's current Licensing Code of Conduct is elevated to meet the highest worldwide standards.
3. Evaluate the feasibility of conducting ongoing, on-site assessments of freedom of association and worker participation on a rotating basis in all facilities where Notre Dame licensed products are produced.

At the completion of the pilot program, the committee will develop a plan to engage other university and corporate social responsibility partners in a broader program to improve worker participation in factories throughout the world. The successful execution of this pilot program will give Notre Dame the credibility to attract these other universities in helping workers globally, thereby expanding our effectiveness well beyond the University's direct impact.

REPORT ON ACTIVITIES OF THE WORKER PARTICIPATION COMMITTEE

Introduction

Notre Dame has always been at the forefront of efforts to improve wages and working conditions at foreign factories that manufacture Notre Dame licensed products. In 1997, Notre Dame was the first university to adopt a labor code of conduct for licensees. It was a founding member of the Fair Labor Association and is a member of the Worker Rights Consortium.

In 1999, President Rev. Edward A. Malloy, C.S.C., appointed a Task Force on Anti-Sweatshop Initiatives. It is important to stress here that these initiatives have been informed by Catholic Social Teaching, which was the primary factor behind the task force's recommendations in 2001. *"Catholic Social Teaching,"* the task force noted, *"has long recognized the rights of workers throughout the World to form labor unions and engage in collective bargaining with their employers.... The University, as a Catholic institution of higher learning, is naturally committed to upholding the social teachings of the Church and to the rule of law."* At the time, the task force decided that this policy was the *"most effective and efficient way to give voice to these commitments."*

The task force made three recommendations:

1. Products bearing the name or other trademarks of the University shall be manufactured only by workers who enjoy the legal rights to freely associate, form labor unions, and collectively bargain with their employers concerning wages, hours, working conditions and other terms and conditions of employment.
2. A system of limited public disclosure, which would only require disclosure of factory locations to the University and its designated monitors.
3. The creation of a regional pilot monitoring program.

Based on the task force's work and recommendations in 2001, Notre Dame adopted a Freedom of Association Policy stating that Notre Dame licensed products cannot be manufactured in countries with no legal right for workers to organize and form independent labor unions of their own choosing. The policy addresses the legal right of workers to bargain collectively with management for improved wages, hours, working conditions, health and safety issues and other terms and conditions of their employment. Because the focus is on the laws of countries where factories are located rather than practices at individual factories, the policy lists countries whose national laws do not meet the policy's standards, including China

and 10 other countries (Afghanistan, Equatorial Guinea, Iran, Laos, Oman, Qatar, Saudi Arabia, Somalia, Turkmenistan, and United Arab Emirates).

While it was hoped that other universities would follow suit and adopt similar policies, none did. Currently, it is unclear whether the policy: (1) appropriately captures whether worker participation is respected in factories where Notre Dame licensed products are currently manufactured; and (2) has meaningfully impacted workers' rights in countries in which the University has not allowed manufacturing of licensed products. There is some sense that the policy has not had such an impact and is purely symbolic. In making its recommendations in 2001, the task force itself admitted that *"lobbying by licensees is unlikely to have much of an impact upon the policies of governments as large and powerful as the Chinese government."*

Since 2001, companies, including some of Notre Dame's current licensees, have made positive strides in understanding how codes of conduct and direct engagement at the factory level (rather than attempting to influence national law) can advance workers' rights and corporate social responsibility. In addition, auditing firms have honed their ability to assess working conditions in individual factories. The committee's view is that these advances deserve consideration as we determine whether the practices and conduct of particular factories might viably guide the University's decisions regarding foreign production of licensed products.

Furthermore, while the current Freedom of Association Policy prohibits the manufacture of Notre Dame licensed products in China, the University has expanded relationships in China in recent years in other areas, including the number of Notre Dame undergraduate and graduate students who visit China, the number of Chinese students who come to study at Notre Dame, the opening of a University office in Beijing, investments held by the endowment, and the many non-licensed products that the University purchases from China annually.

The question for the Notre Dame today — and that which the Worker Participation Committee was charged with — is whether the Freedom of Association policy as currently written is the most effective and efficient way to give *both voice and action* to Notre Dame's commitments.

Current Committee

In 2013, Executive Vice President, John Affleck-Graves invited a committee to review the current policy and to determine whether any changes to the policy should be recommended, specifically with regard to production in China. The committee includes:

- John Affleck-Graves, Executive Vice President
- Matthew Blazejewski, Senior Advisor to the Executive Vice President
- Dennis Brown, Assistant Vice President, News & Media Relations
- Douglass Cassel, Notre Dame Presidential Fellow, Professor of Law
- Christine Cervenak, Associate Director for Center for Civil and Human Rights
- Alex Coccia, Student Body President (2013-14)
- Marianne Corr, Vice President and General Counsel
- Brian Coughlin, Associate Vice President, Student Affairs
- Georges Enderle, Professor of International Business Ethics, Fellow in Kellogg Institute
- Tomi Gerhold, Associate Program Director, Licensing
- Dave Harr, Associate Vice President, Auxiliary Operations
- Lionel Jensen, Associate Professor, East Asian Languages and Cultures, Fellow in Kellogg Institute
- Rev. William M. Lies, C.S.C., Vice President for Mission Engagement and Church Affairs
- Michael Low, Program Director, Licensing
- Jonathan Noble, Associate Professional Specialist, Notre Dame International
- Lauren Vidal, Student Body President (2014-15)

Engagement of an Assessment Partner

Within the first few months, the committee acknowledged that the concept of freedom of association does not exist in China and that it is beyond the University's influence to change the laws of China, or any other country, to allow for full freedom of association. Therefore, the committee agreed to target workers' rights at the factory level and focus on ***worker participation defined as a process by which factory management actively involves and/or engages employees/workers in business management and decision making.***

One of the key recommendations of the Father Malloy task force emphasized that ongoing assessments should be conducted at factories where Notre Dame licensees manufacture their products. The committee, however, could find only one specific case of such an assessment being conducted (although Notre Dame remains a member of the Fair Labor Association, which does administer factory assessments independently).

So the committee decided to initiate assessments of several factories in China (1) to better understand the status of worker participation there, (2) to explore whether worker participation could

be influenced by the market and economic leverage of foreign licensors over local factories by insisting on improved working conditions, and (3) to evaluate whether Notre Dame might exert its influence with these foreign licensors to improve and sustain worker participation in specific factories.

The committee concluded that the most prudent course forward would be to start a pilot program in which Notre Dame licensed merchandise would be produced on a trial basis by any factory that appeared to be a potentially viable partner as a result of the assessments.

The committee recognized the need for expert assistance in evaluating factories in other countries. So the committee solicited proposals from four internationally recognized organizations experienced in assessing compliance with labor codes of conduct and the principles of freedom of association and worker participation. (A review of those organizations is available in Attachment 3.)

After careful deliberation, the committee selected Verité to develop the assessment tools and conduct the factory assessments. Verité is a global, independent, non-profit organization providing consulting, training, research, and assessment services worldwide. It is based in Amherst, Massachusetts, with offices in Shanghai. Since its inception in 1995, Verité has partnered with hundreds of multinational brands, suppliers, and international institutions to improve working conditions and social and environmental performances.

A copy of Verité's response to the RFP is attached (Attachment 4).

Selection of Participating Factories

The committee agreed to oversee the factory assessments and develop a framework for evaluating whether to recommend one or more of the factories for a pilot production program. In exploring that, an emphasis was placed upon measures and definitions of success and upon possible outcomes, and it was agreed assessment tools would be developed to help define standards of acceptable levels of worker participation worthy of University support. The committee also agreed that:

- Any outcome resulting in the production of Notre Dame licensed products as part of a pilot program would require a level of ongoing third-party verification in each participating factory.
- Factories that failed to demonstrate worker participation at minimum standards to be set by the committee would not be recommended for a pilot program. They would, however, be invited to develop a corrective action plan, engage in an independent program of capacity building, and potentially request a re-assessment.

- Success of the assessments would not be defined by a recommendation supporting one, or more, factories to engage in pilot production. Rather, success would simply be defined as a fair and well-conducted assessment resulting in a better understanding of the current conditions related to worker participation in Chinese factories.

With the assistance of The Collegiate Licensing Company, existing Notre Dame licensees were invited to nominate factories to participate in the assessment conducted by Verité. The committee selected the following six factories nominated by five licensees:

- Changshu Jieliang Knitting, Jiangsu – licensee, Knights Apparel
- Huai’an Yuan Tong Headwear (ASI), Jiangsu – licensee, Under Armour
- Jung Myung Textile (Shaowu), Fujian – licensee, Knights Apparel
- Ningbo Kingwell Leisure Products, Ningbo – licensee, Logo Chair, Inc.
- Wintax Caps, Shenzhen – licensee, New Era Cap Co., Inc.
- Zhangjiagang Microwood, Jiangsu – licensee, Colosseum

Two factories produce headwear, three produce apparel, and one produces a variety of non-apparel products (e.g. tailgate tents, chairs, and soft sided coolers). Sizes of the factories range from 80 workers to more than 3,000.

Assessment Criteria and Categories

In the spring of 2014, the committee worked with Verité to develop the assessment tools, focusing on worker participation and the ways in which line workers and management experience these rights and protections and whether such experiences are consistent with Catholic Social Teaching. Specifically, the assessment tool targeted three fundamental aspects of worker participation: communication, consultation, and participation in decision making.

The assessment process was designed to begin with a series of online assessments, followed by a factory visit by Verité representatives including interviews with management and line workers. Verité would then evaluate the data gathered from these assessments (both online and on site) and score the factory against 71 criteria. These 71 criteria (Attachment 5) were divided into five assessment categories and the following method was used to determine if the factory met what the committee judged to be a minimum acceptable standard of worker participation for the factory to be considered for a pilot program:

Three of the 71 criteria were categorized as **Zero Tolerance**. If a factory did not meet all three of these criteria, immediate action would be required by the factory to remedy the issue in order to be recommended for a pilot program.

Sixteen of the 71 criteria were categorized as the **Minimum** level of worker participation. If a factory did not meet at least 90% (15 of 16) of these criteria, it would be required to develop a continuous improvement action plan to meet 90% of the criteria within three months to be considered for a pilot program.

Fifteen of the 71 criteria were categorized as **Good** participation. If a factory did not meet at least 90% (14 of 15) of these criteria, it would be required to develop a continuous improvement action plan to meet 90% of the criteria within six months to be considered for a pilot program.

Twenty six of the 71 criteria were categorized as **Better** participation. If a factory did not meet at least 75% (20 of 26) of these criteria, it would be required to develop a continuous improvement action plan to meet 75% of the criteria within six months to be considered for a pilot program. In addition, an explicit goal in the pilot program would be for each participating factory to demonstrate progress toward meeting all of these criteria by the end of the pilot program.

Eleven of the 71 criteria were categorized as the **Best** level of participation representing highly aspirational criteria that would be quite exceptional. A factory was not required by the committee to meet any of these 11 criteria to be considered for the pilot program, but the goal would be for a participating factory to demonstrate progress toward meeting some of these criteria by the end of the pilot program.

Factory Assessments

Verité used the tools discussed above to complete an on-the-ground assessment of the work environment at the six participating factories in May and June 2014. In conducting these assessments, Verité paid particular attention to the following four priorities:

1. The factory respects and honors workers' rights to collective bargaining;
2. The factory refrains from any acts of interference with the formation or operation of union or worker representation bodies;
3. The union or worker representation body is capable of upholding workers' rights and interests effectively;
4. The factory management bargains with the union or worker representatives in good faith.

In accordance with the assessment tool, Verité conducted its assessment at each factory in two parts — the on-line self-assessment instrument and the onsite inspection of the factories, including individual interviews. Great care was taken to ensure anonymity of responses. The onsite inspections were conducted by two or three Verité assessors over a period of two or three days. Assessors toured each factory and their respective campuses, reviewed relevant documents and records, conducted interviews, and reviewed findings with the factory’s management team.

Using the thresholds for each of the five assessment categories, the results of the assessments indicated that two factories met the committee’s minimum acceptable standard of worker participation; two were identified as needing some additional capacity building in order to meet the minimum standards; and the remaining two needed substantially more capacity building to reach those standards.

The committee also conducted its own on-site reviews, with seven committee members visiting four of the six factories in September 2014. Over the course of six days, the committee conducted reviews of the physical plants, the working environment, safety, dormitories, and dining halls, and gained additional insight through personal observation and independent meetings, including interviews in Chinese with workers and management. These factory visits confirmed the results of the Verité assessments.

Campus-wide Discussions

In November and December 2014, committee members met with small groups of faculty and students on campus to share the work of the committee and invite feedback. Eleven meetings were conducted, including with faculty from the Center for Social Concerns, the Law School, the Kellogg Institute, the Kroc Institute, and the Liu Institute. The committee also met with students representing the Student International Business Council, Progressive Student Alliance, and Human Rights ND. In addition, the committee took steps to create a campus-wide conversation and dialogue by hosting the following four events in January 2015:

- January 20, 2015 – Panel Discussion for faculty (although students were also welcome)
- January 21, 2015 – Panel Discussion for students (although faculty were also welcome)
- January 23, 2015 – Higgins Labor Café open discussion
- January 26, 2015 – Campus-wide Open Forum

The two panels consisted of faculty from the committee, faculty from the Center for Social Concerns, a student, and a recent law school graduate now working for the United Nations. The Higgins Labor Café dedicated one of its sessions to discussing the work of the committee. At the Open Forum, all faculty, students, and staff were invited to share with the committee concerns, ideas, and recommendations for engagement with China. The committee also created a website (<http://evp.nd.edu/worker-participation-committee/>) where updates on the work of the committee could be shared. The site also encouraged participation at the four January events.

Recommendations

Following the deliberations of the Worker Participation Committee, the committee respectfully submits the following recommendations, which, if approved, will be the responsibility of the committee to implement and measure for success:

1. Conduct a Pilot Program in China

The committee recommends that the University conduct a pilot program in China to determine whether worker rights have improved to the extent that selected factories meet and can, over time and under review, sustain a standard of performance acceptable to the University of Notre Dame.

As part of the recommended pilot program, the following conditions apply:

- The pilot program at each factory will be for a minimum of 12 months, but the University will have the option of extending it to 24 months at any factory.
- All companies participating in the pilot program and manufacturing Notre Dame licensed products will be required to engage in a re-assessment after 12 months of production to measure if they have improved worker participation to a level in excess of the committee's standards. If the criteria are not met for a factory, the pilot program will be stopped and cancelled at that factory.
- Based on the assessment conducted by Verité and the visit to China by the committee, the two factories with the highest ratings, ASI (Under Armour) and Wintax Caps (New Era Cap Co., Inc.), should be granted permission to start production of Notre Dame licensed products as part of the pilot program.
- The four factories that have been assessed, and do not currently meet the committee's minimum acceptable standards, will be offered an opportunity to engage in capacity

building. These factories can then request a reassessment to determine if the committee's standards have been met. If the factory meets the required standards, then it will also be offered a 12-month pilot program to produce Notre Dame licensed products.

The recommendation to start production of Notre Dame licensed products on a limited basis in China was arrived at after much thought, careful analysis, and input from all committee members. In making this recommendation, it should be noted that one committee member, Doug Cassel, respectfully dissents from the recommendation to allow production of Notre Dame licensed products in China, unless and until China lifts its legal ban on freedom of association.

2. Conduct a Parallel Assessment in a Country and in Factories in which Notre Dame Licensed Products are Currently Produced

During the campus-wide dialogue in January 2015, the committee received feedback from faculty and students that if a pilot program in China were conducted, it would be helpful to broaden the assessment to selected factories in other countries with legally protected freedom of association in which Notre Dame licensed products are currently produced. ***Therefore, the committee recommends that the University engage Verité to conduct an assessment of four to six nominated factories in other countries using the same worker participation assessment tools and process as used with the Chinese factories.***

Extending the assessments to non-Chinese factories will provide valuable benchmarks on how workers' rights compare across countries and help evaluate the impact that the Notre Dame Licensing Code of Conduct might have on factory conditions regardless of the legal states of worker participation.

Since the factories assessed have already been engaged in producing Notre Dame licensed products, the assessment tool and results will not be used to determine whether or not to produce, but the assessment will be used to encourage continuous improvement as needed by each factory. Similar to the pilot program in China, the assessment period for these factories will be a minimum of 12 months with the option to extend it to 24 months. Ensuing assessments will give the committee insights into the progress that each factory makes toward higher levels of conformance with our criteria.

3. Expand the Scope of Human Rights Assessed

In addition to freedom of association, other areas – wages and benefits, working hours, child labor, prison or forced labor, health and safety, environmental impact, and disciplinary practices – related to human rights are essential. The University has always considered these in its choice of licensees and they are an integral part of its existing Licensing Code of Conduct. Faculty and students emphasized that the pilot program must also include analysis of these rights. Hence, ***the committee recommends that during a pilot program in China and the parallel assessments in other countries, the current Notre Dame Licensing Code of Conduct be reviewed to ensure it adequately addresses other human rights concerns.***

In undertaking this recommendation, the committee will partner with Verité to review the Fair Labor Association’s Sustainable Compliance Initiative assessment tool. The committee will also engage with international human rights leaders, religious leaders, and leaders in corporate social responsibility to provide a wide context for the review of the Notre Dame Licensing Code of Conduct.

4. Other Topics

While attendance at the four campus-wide January events was relatively low, it was clear that groups of students, faculty, and staff have strong feelings about the committee’s work and want to be included in any future efforts. Therefore, throughout the pilot project the committee would continue to gather opinions in a variety of ways, including, but not limited to:

- A website with opportunity to submit feedback to the committee
- Panel discussions that bring together internal and external experts on this topic
- Encouraging faculty to bring this discussion to their classrooms
- Targeted meetings with groups and departments on campus that have a strong interest in this work, especially with respect to the role of Catholic Social Teaching.

Throughout the work of the committee, its members have engaged thoughtfully on the relationship of Catholic Social Teaching to the current policy, and how it must influence its recommendations. Two faculty from the Theology Department, Assistant Professor Margaret Pfeil and Associate Professor Todd Whitmore, participated in some of the committee meetings and shared perspectives that have been

valuable in forming the recommendations of the committee. The committee will continue to invite and encourage feedback in this manner.

The committee also received clear feedback from students that they would like a more formalized structure through which to share their concerns and ideas. ***Therefore, the committee recommends the creation of a student subcommittee, functioning in the following manner:***

- ***A subcommittee consisting of student representatives from a variety of student groups, including, but not limited to: Student Government, Student International Business Council, Progressive Student Alliance, and Human Rights ND.***
- ***The student subcommittee will be charged with gathering student input and feedback during the pilot program and making recommendations to the Worker Participation Committee on how best to communicate to students and engage students during the pilot program.***
- ***Two students from the subcommittee will serve on the larger Worker Participation Committee.***

Finally, the committee also recommends the development of a plan to engage other higher education and corporate social responsibility partners in improving worker participation in factories throughout the world. The committee recommends waiting to implement this plan until completion of the pilot program. The successful execution of the pilot program will give Notre Dame the credibility and information necessary to invite other universities to join this initiative, thereby leveraging the impact of the pilot program well beyond the University's direct impact.

Conclusion

The committee recommends the University undertake a pilot program in China and conduct factory assessments in other countries with the goal of strengthening workers' rights in participating factories in a manner consistent with the University's mission and with Catholic Social Teaching. Following the completion of the pilot program, the committee will be able to assess and make a recommendation as to whether the current Freedom of Association Policy should stand unchanged, or if the policy should be changed to reflect a factory-based rather than nation-based approach to allowing Notre Dame licensed products to be manufactured according to the University's mission and

responsibility. In order for any factory to be considered for production of Notre Dame licensed products, the following criteria would have to be clearly demonstrated during the pilot program:

- The factory respects and honors workers' rights to worker participation and collective bargaining
- No corporate interference hinders the formation or operation of union or other worker representative bodies
- The union or worker representative body is capable of upholding workers' rights and interests effectively
- Management bargains with workers in good faith
- Worker feedback and participation are accepted and encouraged by management

The committee further recommends that the pilot program be used to review the University's Licensing Code of Conduct to ensure it adheres to a broader set of human rights issues including the following:

- Workers' health and safety, wages and benefits and other working conditions
- Direct impact on other stakeholders such as customers, suppliers and owners/shareholders

Finally, the committee will also determine whether on-site assessments can be conducted on an ongoing rotating basis in all facilities as recommended by the 2001 report.

Attachment 1

Freedom of Association

The University of Notre Dame has become a national leader in the collegiate anti-sweatshop movement. Within that movement, several colleges and universities have adopted policies regarding factory disclosures and independent monitoring. Notre Dame was the first college or university in the country to adopt a Code of Conduct for its licensees and the first to undertake independent monitoring of factories where its licensed products are manufactured.

The University was a founding member of the Fair Labor Association and is a member of the Worker Rights Consortium. Notre Dame also has taken a unique national leadership position on the issue of Freedom of Association. The University's policy was crafted by the President's Task Force on Anti-Sweatshop Initiatives, which includes Notre Dame faculty, administrators, students and representatives of key licensees. It was approved by Rev. Edward A. Malloy, C.S.C., the University's President.

The Freedom of Association Policy states that Notre Dame licensed products cannot be manufactured in countries lacking a legal right for workers to organize and form independent labor unions of their own choosing. Based upon Catholic social teaching, the policy requires that workers who manufacture Notre Dame products be legally permitted to organize labor unions and negotiate with Management for improved wages, hours, working conditions, health and safety issues, and other terms and conditions of their employment.

The University of Notre Dame will not allow its licensees to produce products in countries that do not lawfully recognize fundamental Free Association rights. There are currently about ten countries in the world that do not comply with that principal. The most significant one is China. The impact of this policy is very important and the University community can support it by ordering and purchasing products consistent with the policy. Products manufactured in Taiwan and Hong Kong are acceptable. Non-Notre Dame branded products manufactured in China are not addressed by the University's policy.

PRECLUDED COUNTRIES

Afghanistan
China
Equatorial Guinea
Iran
Laos
Oman
Qatar
Saudi Arabia
Somalia
Turkmenistan
United Arab Emirates

Attachment 2

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 is strongly committed to environmentally sustainable practices, and expects our business partners to share our sustainability commitment. Licensees will strive to comply with all applicable environmental laws and regulations and are also encouraged to abide by the three principles on the environment that are set out in the United Nations Global Compact: 1) supporting a precautionary approach to environmental change; 2) undertaking initiatives to promote greater environmental responsibility; and 3) encouraging the development and diffusion of environmentally friendly technologies. To demonstrate alignment with these principles, Licensees are urged to use resources and materials that are sustainable, are capable of being recycled and are used effectively with a minimum of waste. Where practicable, Licensees also are to utilize technologies that do not adversely affect the environment; and, when such impact is unavoidable, to ensure that it is minimized.

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.¹ In order to satisfy the minimum requirements of this 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. 87²; (2) be a signatory to I.L.O. Convention No. 98³; 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

¹ 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.

² 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.

³ 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.

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, 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.

Attachment 3

Review of Organizations Considered for Factory Assessments

Each of the four organizations submitted written proposals and participated in teleconference interviews with the committee in December 2013. The four organizations were:

1. **Elevate:** a global professional services firm specializing in supply chain, social, environmental and business performance with offices in Hong Kong and San Francisco.
2. **Fair Labor Association:** a non-profit multi-stakeholder initiative (brands, NGOs, and universities) created for the purpose of establishing and maintaining a common code of conduct and promoting adherence to international labor standards with offices in Washington DC, Shanghai, and Geneva.
3. **Sumerra:** a team of experienced global consultants working within the manufacturing industry providing services in more than thirty-five countries. It is based in Portland, Oregon, with staff in Hong Kong, Bangalore, and Bangkok.
4. **Verité:** a global, independent, non-profit organization providing consulting, training, research and assessment services worldwide. It is based in Amherst, Massachusetts, with offices in Shanghai.

After careful deliberation, the committee selected Verité to develop the assessment tools and conduct the factory assessments.



VERITÉ®

Fair Labor. **Worldwide.**

**University of Notre Dame Proposal – Freedom of Association Pilot
Program in China-Based Factories
November 25, 2013**

INTRODUCTION

The University of Notre Dame wishes to conduct a pilot program whereby up to 6 nominated China-based factories that demonstrate ongoing levels of meaningful worker participation, when assessed against criteria consistent with the principles and values of the existing Freedom of Association policy, will be authorized to produce licensed Notre Dame merchandise.

Verité proposes to develop and implement best-in-class assessment criteria, tools, and methodologies to enable the University identify and objectively judge the efficacy of worker participation activities in nominated factories.

OVERVIEW

ABOUT VERITÉ

Verité, headquartered in Amherst, MA, is a global, independent, non-profit organization which provides consulting, training, research, and assessment services with a vision to ensure that people worldwide work under safe, fair, and legal working conditions. Since its inception in 1995, Verité has partnered with hundreds of multinational brands, suppliers, and international institutions across multiple industry sectors to improve working conditions and overall social and environmental performance within global supply chains.

Our work to align business and social impact has earned us recognition in the social entrepreneurship space, including an award as the Social Entrepreneur of the Year in the US for 2011 by the World Economic Forum-affiliated Schwab Foundation. Verité's programs have been conducted in over 60 countries across Asia, Europe, and North and South America and across multiple sectors, including electronics, apparel, footwear, agriculture, food, hard goods, and toys.

Verité gathers information globally about labor practices, and makes this analysis available to brands, suppliers, governments, investors, NGOs, and trade unions. Our focus is on human rights and labor rights in the production of consumer goods and sourcing of raw materials.

As an NGO, Verité is recognized for its independence and unique credibility, as well as the practical usefulness of its information to businesses. Information is sourced from workers, NGOs, and trade unions, and then interpreted to help businesses reduce social risk in their supply chains.

RELATED EXPERTISE

Verité has been auditing, training, conducting research, and consulting in China for over 15 years. Our China office maintains a staff of approximately 20 full-time professionals, and contracts with 20 consultants for auditing, training and other services. Since 1997 we have conducted in excess of 2,000 facility level audits or assessments in China.

Typical social compliance auditing may not illuminate all working condition problems and the opportunities for improvement within any given business. Verité pioneered a comprehensive model that integrates workers as key stakeholders to effectively monitor labor conditions. Our programs focus on the root causes of non-compliance and the understanding, skills, and systems needed to resolve them. Verité has an unparalleled reputation for depth and quality of multi-source information on conditions and causes.

Verité's work was featured in [an extensive front-page story in The New York Times](#) on Labor Day this year. The article examines the crucial difference between effective assessments -- like the ones we do at Verité -- and superficial, "check-box" inspections performed at the behest of major brands with their suppliers around the world. The NYT article, written by labor reporter Steven Greenhouse and retail reporter Stephanie Clifford, demonstrates that Verité's approach -- consisting of extensive, off-site worker interviews, deep knowledge of the ways workers become vulnerable, and the commitment to solve the problems that we find -- is ultimately what yields results.

PROJECT EXAMPLES

Relevant, recent and ongoing projects include:

New York City Employees' Retirement System (NYCERS): Since 2004 Verité has conducted annual assessments of labor practices in 24 emerging-market countries, including China, to assist NYCERS with investment decision-making. This research comprises a quantitative ranking and country-level performance report based on international labor standards and the efficacy of efforts on the ground to address problems in specific areas such as working conditions, freedom of association, and collective bargaining.

Empowering Workers and their Advocates: Between January 2006 and April 2008, Verité worked with Timberland and supplier factories in China to develop and implement a worker participation model designed to significantly and sustainably improve the labor rights of workers and factory working conditions consistent with the Timberland Code of Conduct. The project involved capacity building workshop trainings for factory management and workers, the development of bespoke factory level

assessment tools, baseline assessments, the establishment and chartering of joint worker-management working groups, and the development and pilot testing of a participatory factory monitoring model.

Engaging Workers for a Sustainable Workforce: Verité is currently pilot testing a program with Apple suppliers in China to address significant labor relations issues with front-line workers engaged in repetitive assembly line work in large scale, highly-regulated factories. The project involves the development and implementation of assessment criteria, methodologies, and tools to measure worker engagement and its correlation to business outcomes. Specific factory level drivers such as workplace communication, worker feedback, and worker participation mechanisms are identified, analyzed, and prioritized. In this phase of the project, Verité conducted baseline assessments in 3 facilities with an aggregate workforce of 60,000. In the capacity building phase, specific interventions will target identified drivers that have the greatest impact on worker engagement.

Electronics Industry Citizenship Coalition Auditor Training: In 2009, the Electronics Industry Citizenship Coalition (EICC)—a coalition of the world’s leading electronics companies working together to improve efficiency and social, ethical, and environmental responsibility in the global supply chain—asked Verité to develop an auditor training program, and to be the exclusive provider of the accredited training for its members and third party firms auditing member factories. The EICC training and Verité’s trainers have been certified by IRCA (International Register of Certified Auditors), the world’s oldest and largest auditor certification body. The program is ongoing and our China office regularly trains brands, suppliers, and audit firms on social auditing in electronics factories.

International Labor Organization eLearning Course: Verité has been engaged by the ILO to design, develop and test a 7 module eLearning course on freedom of association. The course targets enterprise-level management and workers in manufacturing industries and will be implemented across ILO technical cooperation projects globally. Key rights and responsibilities of employers and workers consistent with ILO standards will be the principal focus of the course, which will also include practical, enterprise-level guidance on respecting international standards in legal environments that restrict rights to freedom of association and collective bargaining.

METHODOLOGY, TIMELINE & BUDGET ESTIMATE

1. DEFINE ASSESSMENT CRITERIA, METHODOLOGY AND TOOLS

Using the University Licensing Code of Conduct and Sourcing Criteria on Worker Participation and Freedom of Association as a starting point, Verité will leverage its deep knowledge of the reality of worker participation in Chinese factories to develop auditable benchmarks to be used during the assessment phase to determine the efficacy of factory level practices. Verité proposes to develop and use a factory self-assessment survey in addition to document reviews and structured management and worker interviews during the factory visits. Separate tools will be created and used for each source. The use of this combination of sources to gather relevant, credible, and verifiable data will provide a

comprehensive understanding of the reality of the situation in participating factories and enable a comparison across factories and over time. Confidential, state-of-the-art worker interviewing is the key element in this process, providing verification of information derived from management, documents, and conditions on the day of the assessment, as well as critical insights into issues often missed by other assessment models.

Verité estimates that this work will take 4 consultant-days and will be completed within 4 weeks of contract execution.

Estimated professional fees for this Phase are \$3,600

2. CONDUCT INITIAL FACTORY ASSESSMENTS

Verité’s China-based staff will visit and assess the participating factories against the criteria, using the methods and tools, developed in Section 1. The composition of the assessment team and number of days required for each factory will be determined by the number of workers. Verité’s China office conducts audits and focused assessments in factories with as few as 100 workers and as many as 30,000. Verité understands the nominated factories employ between 200 and 1,200 workers each. For a focused assessment of this nature, we anticipate a team comprised of 2 auditors onsite for between 1 and 2 days per factory depending on the number of workers.

The University will be provided with a detailed assessment report on worker participation within 14 business days of completion. The report will also recommend capacity building measures participating factories that fail to meet the minimally acceptable standards can undertake in order to address shortcomings. The Verité Project Manager (U.S.-based), Verité Program Director (China-based), and Lead Auditor (China-based) will be available for teleconferences to discuss the factory level reports and/or capacity building recommendations.

The assessments can be completed in 4-5 weeks, provided the factory self-assessment surveys are completed and returned before the on-site visits. Verité estimates that the assessment phase could be completed within 8 weeks of contract execution.

Estimated professional fees (excluding expenses) for this phase are between \$3,000 and \$6,000 per factory depending on the number of workers.

3. CAPACITY BUILDING RECOMMENDATIONS

The University envisages unsuccessful factories being given the opportunity to engage in recommended capacity building measures in order to be permitted to be re-assessed at a future date.

Based on Verité’s experience that unsuccessful factories will have different “gaps” and that one size rarely fits all, our recommendations for capacity building measures will fall into 3 broad categories:

- a. Management-Worker Engagement Training: existing stand-alone modules delivered on a workshop basis on topics such as “Labor Laws and Workers”, “Worker Participation: Mechanisms and Models”, Systems to Build a Positive Workplace: Grievance, Harassment & Discipline”.
- b. Social Responsibility Management Systems Training : a more comprehensive approach for factories who need assistance implementing basic worker communication and other relevant HR processes (such as a grievance procedure) in order to meet minimally acceptable criteria. A program of this nature would involve consulting support around action planning, KPIs, tools, training, and implementation.
- c. Establishment of Factory Level Worker Participation Bodies: for factories who want to foster sustainable social compliance through a worker participation model.

As the development and delivery of capacity building measures is not expressly called for in the RFP, timeline and budgetary estimates are not provided.

4. ONGOING VERIFICATION

Verité recommends that successful factories authorized to produce licensed merchandise be re-assessed annually.

Verité recommends that unsuccessful factories that effectively adopt recommended capacity building measures within 6 months of the Initial Assessment be permitted to undergo a limited Verification Audit to determine if they have achieved the minimally acceptable standards.

Estimated professional fees (excluding expenses) for Verification Audits are between \$1,500 and \$2,500 per factory depending on number of workers and subject to scope.

TIMELINE & BUDGET SUMMARY

Activity	Estimated Fee Schedule ¹	End of Month								
		1	2	3	4	5	6	7	8	9
Define Assessment Criteria, Methodology & Tools	\$3,600									
Conduct Factory Level Assessments	\$3,000 - \$6,000 per factory									
Capacity Building Measures	TBD									
Verification Audits	\$1,500 - \$2,500 per factory									

1. Estimated professional fees exclusive of travel expenses. Airfare and hotel are billed at cost, meals on a per diem basis. Expenses for individual China facility assessments are in the \$750 - \$1,500 range. Scheduling in clusters can result in lower overall expenses.

EXECUTIVE TEAM

Dan Viederman, CEO: Dan Viederman has worked closely with NGOs, governments, investors, and the largest multinational brands in the world. As CEO, Dan guides Verité’s efforts in support of the organization’s vision that all workers work under fair, safe, and legal conditions. He assumes a leadership role in Verité’s research, training, consulting, and policy development with companies,

governments, NGOs, and other labor and human rights stakeholders. In 2001 he developed Verité's programs that provided indicators of labour protections for CalPERS, NYCERS and other investors. For the impact that Verité has had on millions of workers around the world, Viederman was the winner of a 2007 Skoll Foundation Award for Social Entrepreneurship, and was named 2011 Social Entrepreneur of the Year in the United States by the Geneva, Switzerland-based Schwab Foundation for Social Entrepreneurship. Dan has managed NGOs in developing countries since 1993 and worked with internationally-recognized institutions such as the World Wildlife Fund (WWF) and Catholic Relief Services. He has lived extensively in Asia and speaks Chinese. Dan is a graduate of Yale University, the Columbia University School of International and Public Affairs, and Nanjing Teacher's University.

Wenjuan Yao, Regional Director, China: For over a decade, Ms. Yao has designed and overseen the implementation of Verité's sustainable workforce, management systems and other capacity building interventions for apparel, footwear and electronics suppliers in China. Wenjuan's programs focus on building supplier internal capability to engage workers, including training-of-trainer programs and participatory auditing models for the electronics and footwear industries. Ms. Yao led two publicly-funded multi-year, multi-million dollar projects: one of which involved thousands of workers and hundreds of managers at 18 factories in labor rights training; and the other which introduced corporate social responsibility (CSR) to over a thousand college/vocational students and created China's first CSR curriculum and textbook. She directs the Mobile Training Program, which has trained over 200,000 workers and thousands of managers on management systems and worker engagement. She is currently leading the implementation and impact evaluation of \$1.5 million of training programs to empower workers and create a more sustainable workforce. In addition to establishing Verité audit teams across China, Wenjuan has personally audited hundreds of factories in China. Wenjuan is a graduate of the Sun Yat-Sen University, School of Humanities, Guangzhou, China, Northwest University, School of Humanities, Xi'an, China, and the University of Massachusetts, School of Education, Amherst, MA.

Lydia Long, Senior Programs Director: Lydia has managed programs at Verité for 15 years, and currently oversees Verité's Training and Consulting Programs worldwide. She facilitates the development and implementation of programs that help companies build the capacity to manage risk of the most vulnerable workers throughout their supply chains, with a focus on robust worker engagement as a key component in any solution. A sample of the strategic programs Lydia has led includes:

- Verité Systems Approach (VSA) tools and training for such companies and multi-stakeholder initiatives as Walmart, Sedex, EICC, Hershey, McDonald's, Gap, Hewlett Packard, Apple, Inditex/Zara, Starbucks, Home Depot, and numerous others
- Fair Hire – Fair Labor capacity building programs for supplier management of forced labor risk
- Social Responsibility Program Gap Assessments and strategic consultation with brands such as Starbucks, Motorola, Levi, Mars and others
- Lead Auditor Certification Training program for Electronics Industry Citizenship Coalition (EICC)

- Multi-year, multi-million dollar government and foundation grants directed at raising workplace standards and enabling workers as stakeholders in improving conditions

Examples of recent workshops and consultations Lydia has delivered directly include:

- Systems approach to social responsibility risk control workshops for procurement, quality and audit teams in US, UK, Ireland, India and Istanbul
- Supply chain management program development consultation for US-based Disney licensees
- Fair Hire – Fair Labor supplier training to reduce labor trafficking risks in Tirupur, India
- Roundtable on Dhaka Principles of Migration with Dignity in Dhaka, Bangladesh
- Responsible Recruitment/Anti-trafficking Roundtable in Delhi, India

PROJECT TEAM BIOS

Jon Pitoniak, Audit Program Manager: Jon has worked with Verité on corporate social compliance labor and human rights issues for the past nine years. He is mainly involved in assisting corporations in improving working conditions at factories, farms, and other workplaces where CSR program development results in improved working conditions for vulnerable populations of workers. Jon’s projects include the development and delivery of training programs, on-site assessments, risk assessments, and other consulting activities for companies, auditors, and NGOs. The past few years have seen Jon’s work shift to include a focus on issues of forced and bonded labor in a variety of corporate supply chains, with special focus on migrant and child workers. He collaborates closely with a network of assessment teams, and has field audited in the agriculture, construction, electronics, and manufacturing sectors. He has assisted multinational corporations in developing CSR codes of conduct and implementation programs, and conducted research on legal frameworks for migrant workers. Other responsibilities involve helping companies understand and effectively alleviate labor risks at the bottom of their supply chains, supporting audit teams through improvement of assessment tools and information gathering from workers, as well as developing corrective action and remediation plans for companies. Jon has an education background in East Asian Studies and Government; has lived, worked, and studied in China; and has other field experience in East/Southeast Asia, the Middle East, and South America.

Andrew Wang, Supplier Programs Director, Lead Auditor: Andrew has been working for Verité as lead factory auditor, senior trainer and consultant, and senior report writer and editor for more than 13 years, and he has extensive experiences as a research and training program manager. Mr. Wang has in-depth knowledge of Chinese labor law and regulations, international labor conventions and standards, and CSR-related issues. He has broad factory experiences, including auditing, systems assessment, and management and workers’ training. He is familiar with dialogue training, and is a very skillful facilitator

for adult learning and group discussion. He is IRCA certified lead trainer for the EICC-GeSI Labor and Ethics lead auditor training. Before joining Verité, Mr. Wang was a senior social science researcher for 15 years, accumulating extensive knowledge on both social and economic aspects of Chinese society. Andrew has a masters degree in International Politics from Renmin University of China and a masters degree in sociology from University of Massachusetts, USA.

For further information, please contact Dan Viederman at dviederman@verite.org or Declan Croucher, at dcroucher@verite.org

**Factory Freedom of Association and Worker Participation
Assessment Criteria**

自由结社和工人参与审核标准

No. 序号	Criteria 标准	Remark 备注
Part 1: Freedom of Association and Collective Bargaining 第一部分: 自由结社&集体谈判		
I. Factory respects and honors workers' rights to freedom of association and collective bargaining. 尊重工人自由结社谈判集体权利		
1	Factory policies and procedures do not conflict with workers' rights to freedom of association and collective bargaining. 工厂现有制度中没有限制/反对工人自由结社和集体谈判的规定。	Zero Tolerance— Immediate action required
2	Factory has written policies and procedures that recognize and respect the rights of employees to freedom of association and collective bargaining. 工厂有政策/程序认可和尊重法律赋予工人的自由结社/集体谈判权利。	Minimum
3	Factory provides communication and training to management and workers on factory policies and procedures for upholding workers' rights to freedom of association and collective bargaining. 工厂对管理人员和工人进行了尊重工人自由结社和集体谈判权政策的沟通, 培训。	Good
4	All levels of management staff can describe workers' legal rights to freedom of association and collective bargaining. 工厂管理人员清楚知道工人结社自由和集体谈判权利。	Good
5	Workers can describe their basic legal rights to freedom of association and collective bargaining. 工人知道他们拥有自由结社和集体谈判的权利。	Good
6	Where third parties are engaged in recruitment/screening/management of workers, the factory (1) requires the contractor to adhere to the factory's policies on freedom of association and collective bargaining; (2) monitors the performance of the contractor to ensure that the policies are being adhered to. 工厂要求提供劳务服务的第三方遵守工厂工厂关于自由结社和集体	Better

	谈判的政策,并监督其执行。	
II. Factory refrains from any acts of interference with the formation or operation of union or other worker representation bodies. 避免干扰工会/工人代表组织的产生和运行		
7	Factory has established a trade union and/or other worker representation body such as an employee congress. 工厂已经建立了工会和/或其他工人代表组织,例如职工代表大会。	Better <i>If factory does not have union or other worker representation body, skip this section.</i>
8	Factory provides necessary venues, facilities and time needed as per local law for the union's operation. 工厂为工会和工会人员办公和开展活动提供必要的设施、活动场所、时间等物质条件。	Minimum
9	There is no evidence of interference with or attempt to influence or control the union or other labor representatives by any means (incentives or intimidation). 没有证据表明工厂存在企图(通过提供好处或恐吓的方式)控制/干扰工会或其他工人代表组织的行为。	Minimum
10	At the time of employment, workers are informed if they are automatically enrolled in a union or other worker body like employee representative congress. 如果工人入职时自动成为工会会员或职工代表大会成员,工厂需于入职时告知工人。	Minimum
11	Factory does not deduct union membership fees or any other fees related to the union or worker representative activities from employees' wage without obtaining their approval. 工厂在没有告知工会会员并获得他们同意的前提下,不得从他们工资里面扣除工会成员费和任何其它会员费。	Minimum
12	There is no evidence that the factory discriminates in any way against workers for union or worker representative membership or activities. 没有证据表明工厂有有歧视工会会员/工人代表的行为。	Zero Tolerance— Immediate action required
13	There is no evidence that the factory employs any form of physical or psychological violence, threats, intimidation, retaliation, harassment or abuse against union members/worker representatives. 没有证据表明工厂使用任何形式的身体或者心理暴力、威胁、恐吓、报复、骚扰虐待来对待行使自由结社和集体谈判权利(含罢工)的工会会员或工人代表。	Zero Tolerance— Immediate action required
III. Union or worker representation body is capable of upholding workers' rights and interests effectively. (Bonus point) 工会/工人代表组织能够有效维护工人的利益		
14	Factory union/employee congress has clear procedures on the election of worker representatives, including election process, voting rights, term limits, position responsibilities, rights & obligation etc. 工厂工会有书面的工人代表选举和工作程序,以明确工人代表选举的流程、投票方法、期限、岗位职责、权力及义务等内容。	Minimum
15	Union/employees' congress leaders/representatives are democratically elected directly by workers /worker representatives.	Better

	工人代表/工会干部由/工人/工人代表直接民主选举产生。	
16	Union/employees' congress leaders/representatives have a clear understanding of their responsibilities. 工会干部/工人代表清楚知道他们的职责。	Minimum
17	Union/employees' congress leaders /worker representatives regularly organize meetings and other activities for workers on factory-related issues. 工会/工人代表定期地为工人组织会议 和其他活动 讨论工人在工厂相关事务的意见。	Good
18	Workers are aware of the trade union and/or other worker representative bodies or employee congress; they are familiar with the functions and authority of the bodies and their representatives. 工人知道工会和/或工人代表机构；熟悉这些组织的职能和他们的代表。	Good
19	The union/ worker representative bodies engage in collective bargaining with factory management on behalf of workers, and/or systematically consult with factory management for settlement of labor dispute. 工会/工人代表机构代表工人和工厂进行集体谈判，或与管理人员定期沟通，解决劳资纠纷。	Better
20	Workers perceive that union/worker representation bodies can uphold effectively their labor rights and interests with regard to working conditions. 工人认为工会能够在工作条件、劳工权益等方面有效地维护工人的利益。	Better
IV. Factory Management bargains with the union or worker representatives in good faith 工厂管理层诚心诚意地与工人进行集体协商		
21	There is a collective bargaining agreement on workplace issues or a collective wage bargaining agreement or collective contract. 工厂存在集体谈判协议或劳资协商的机制。	Better 如果工厂没有集体谈判协议或劳资协商机制，略过这个部分。 <i>Skip this part if there is no collective bargaining agreement or labor-management negotiation on workplace issues.</i>
22	Factory has written procedures that support collective bargaining or negotiation with worker representatives on issues related to workers' rights and welfare. 工厂有书面的集体谈判/协商程序，协商与工人权益有关的事项。	Good
23	Factory communicates to workers and management the collective bargaining agreement or the collective wage bargaining agreement. 工厂就集体谈判协议或劳资协商机制及其成果向管理人员和工人沟通。	Good
24	Management staff are aware of the collective agreement or collective wage agreement .	Good

	管理人员清楚知道工厂的集体谈判协议或劳资协商机制。	
25	Workers are aware the collective agreement or the collective wage agreement. 工人清楚知道工厂的集体谈判协议或劳资协商机制。	Good
26	Factory keeps records of collective bargaining/labor-management negotiations. 工厂保留了相关的集体谈判或劳资协商的记录。	Good
Part 2: Worker Feedback and Participation 第二部分：工人反馈与参与		
27	Management understands legal and client requirements pertaining to worker feedback and participation. 工厂管理层了解法律法规/客户关于工人反馈和参与的要求。	Minimum
28	Factory has a written statement of management commitment to: <ul style="list-style-type: none"> • solving workers' grievances • soliciting feedback from workers 工厂有书面的承诺，解决工人申诉并主动寻求工人反馈。	<ul style="list-style-type: none"> • Minimum • Better
29	Factory has a written statement of management commitment to include workers in factory decision making . 工厂有书面的承诺，将工人参与纳入决策制定。	Best
30	Factory has clear and standardized written procedures on worker: <ul style="list-style-type: none"> • grievance • feedback • participation 工厂有清晰的工人申诉/反馈/参与的书面程序。	<ul style="list-style-type: none"> • Minimum • Better • Best
31	Process are clearly defined and documented for responsible personnel and departments accountable for managing worker: <ul style="list-style-type: none"> • grievance • feedback • participation 工厂有书面文件明确在工人申诉/反馈/参与方面的负责人和部门。	<ul style="list-style-type: none"> • Minimum • Better • Best
32	Responsibilities are clearly defined and documented for management and supervisory staff accountable for managing worker: <ul style="list-style-type: none"> • grievance • feedback • participation 工厂有书面文件界定经理和主管人员在工人申诉/反馈/参与方面的工作职责。	<ul style="list-style-type: none"> • Good • Better • Best
33	Responsibilities are clearly defined and documented for workers for participating in: <ul style="list-style-type: none"> • grievance • feedback • participation 工厂有书面文件明确工人在申诉/反馈/参与方面的职责。	<ul style="list-style-type: none"> • Good • Better • Best
34	Management staff involved in: <ul style="list-style-type: none"> • managing worker grievance mechanisms • handling worker feedback • managing worker participation mechanisms 	<ul style="list-style-type: none"> • Good • Better • Best

	<p>are properly trained.</p> <p>工厂向参与处理工人申诉/反馈/参与的管理人员提供培训。</p>	
35	<p>Workers are:</p> <ul style="list-style-type: none"> • trained on grievance procedures • oriented to worker feedback and/or participation policies and procedures • provided skills training on giving feedback and/or participating in various factory decision-making processes <p>工厂向工人提供有关工人申诉/反馈/参与政策、程序及申诉/反馈/参与技能的沟通，培训。</p>	<ul style="list-style-type: none"> • Good • Better • Best
36	<p>Factory has a formal, documented process for investigating issues reported by workers.</p> <p>工厂有调查工人申诉/反馈事项的书面程序。</p>	Minimum
37	<p>Workers are invited to participate in complaint/concern investigations.</p> <p>工厂请工人参与工人意见/问题调查。</p>	Better
38	<p>Factory has an established confidential communication system for workers to raise issues of concern (including treatment by their supervisors without fear of reprisal.)</p> <p>工厂建立保密的沟通制度供工人报告问题，工人可以在不用担心被报复的情况下报告问题（包括主管对自己的不公平对待）。</p>	Good
39	<p>Factory has policies and procedure to protect whistleblowers' identity.</p> <p>工厂有保护告密者身份的政策和程序。</p>	Better
40	<p>The grievance process has a mechanism for anonymous reporting of grievances and complaints.</p> <p>工厂接受工人的匿名申诉/投诉。</p>	Minimum
41	<p>Factory employs multiple channels for workers to provide:</p> <ul style="list-style-type: none"> • grievance • feedback • participate in management decision making <p>工厂为工人申诉/反馈/参与提供多种渠道。</p>	<ul style="list-style-type: none"> • Good • Better • Best
42	<p>Factory gives responses to issues raised by workers within a stipulated and reasonable timeframe.</p> <p>工厂在规定的时限内对工人的申诉/反馈给予回复。</p>	Minimum
43	<p>Factory systematically communicates to the workforce the resolution of issues or the status of issues under review or investigation.</p> <p>工厂将工人申诉/反馈的处理结果或处理进程告知工人。</p>	Good
44	<p>Factory regularly analyzes the issues and grievances raised and resolved.</p> <p>工厂对工人申诉/反馈以及解决状况定期进行数据统计分析。</p>	Good
45	<p>Factory communicates with workers about employee-related rules, policies, procedures, factory regulations and other important changes related to workers' rights and interests.</p> <p>工厂向工人沟通直接涉及员工切身利益的规章制度和重大事项。</p>	Minimum
46	<p>Management seeks opinions and suggestions from workforce before</p>	Good

	<p>making any significant worker-related policy/procedural changes such as wages, working hours, rest and vacation, occupational health and safety, insurance, training and discipline etc.</p> <p>工厂管理人员在改变与工人利益密切相关的政策例如劳动报酬、工作时间、休息休假、劳动安全卫生、保险福利、职工培训、劳动纪律等前征求工人的意见和建议。</p>	
47	<p>There have been no major worker action or labor disputes caused by factory miscommunication or failure to communicate with workers.</p> <p>工厂没有由于重大变更过程中因沟通不当而发生劳资纠纷。</p>	Minimum
48	<p>Workers are asked to complete satisfaction surveys, or other surveys to evaluate the effectiveness of implementation of factory policies and procedures.</p> <p>工厂要求或邀请工人进行满意度调查或其他调查，对工厂政策实施的有效性进行评估。</p>	Good
49	<p>Factory facilitates the formation of different types of worker committees (such as worker health and safety committees, worker cafeteria management committee) to ensure worker input into identifying and solving issues in factory.</p> <p>工厂促进各种工人委员会（如健康安全委员会、膳食委员会等）的建立，确保工人能够参与识别和解决工厂存在的问题。</p>	Better
50	<p>Worker representatives of various worker committees are democratically elected by workers.</p> <p>各不同工人委员会的工人代表由工人民主选举产生。</p>	Better
51	<p>Worker-management joint committees, or other means of involving workers, are used in the creation of policies and procedures for regulatory compliance and implementation of the CSR policies and procedures.</p> <p>工厂采用工人和管理层联合委员会或其他工人参与的方式制定和执行合规性和 CSR 相关的政策和程序。</p>	Better
52	<p>Factory has established the system of 'employee director and employees supervisor,' democratically elected worker representatives are included in the factory's board of directors and supervisors.</p> <p>工厂建立了职工董事监事制度，由职工民主选举职工代表进入公司董事会、监事会，代表职工参与公司的经营决策和实行监督。</p>	Best
53	<p>A democratically elected worker committee has a direct role in formally approving significant management decisions related to work place issues.</p> <p>重要的管理决策征得工人委员会的正式同意。</p>	Best
54	<p>Management and workers have made joint decisions related to work place issues.</p> <p>管理人员已经和工人共同制定过劳资共同利益的决策。</p>	Best
55	<p>Factory regularly conducts internal audit to monitor the effectiveness of worker grievance, feedback and participation systems.</p> <p>工厂就其工人申诉、反馈和参与机制的有效性进行定期内审。</p>	Better
56	<p>Factory senior management regularly assesses the effectiveness of the worker feedback/participation system in order to identify improvement opportunities.</p> <p>工厂高级管理人员定期评估工人申诉/反馈/参与机制的执行状况，以发掘改善的空间。</p>	Better
57	<p>Factory develops and implements improvement plans based on the</p>	Better

	<p>results of assessment to improve the effectiveness of worker grievance / feedback and participation systems.</p> <p>工厂根据评估结果制订和实施工人申诉/反馈/参与机制的改善计划。</p>	
58	<p>Factory maintains complete documentation of worker grievance/ feedback and participation activities and outcomes.</p> <p>工厂保留工人申诉/反馈和参与的完整的相关记录。</p>	Minimum