

GUIDANCE MANUAL & AGREEMENT

WFSGI PLEDGE FOR THE FIFA QUALITY PROGRAMME

FOOTBALL
SEPTEMBER 2018





Purpose

As the world governing body for the sporting goods industry, the WFSGI strives to promote fair and environmentally friendly trade and working conditions. As world football's governing body, FIFA promotes "building a better future for all through football" as one of its key missions. Both organizations campaign for fairness, honesty, mutual understanding and ethical standards in factories that produce sporting goods. The ideals are identical to those of sports.

With this in mind the WFSGI and FIFA have created the Pledge. Companies who are signing the WFSGI Pledge for the FIFA Quality Programme vow and are committed to eliminate poor working conditions from the production of FIFA licensed products. By signing every single page of the Pledge Form, both the FIFA Licensee (Applicant) as well as its Manufacturer signify that they have read, understood, accepted and undertake to fully comply with all provisions of the WFSGI Code of Conduct.

In addition to the duly filled-in Pledge Form, the FIFA Licensee/Applicant is required to submit an audit report not older than 12 months, issued by an internationally recognized and experienced auditing company, and providing sufficient validated information to evaluate and prove full compliance of its factory with the WFSGI Code of Conduct.

In order to properly monitor labour conditions in manufacturing on a regular basis, the WFSGI Pledge has to be renewed every year by the FIFA Licensee in collaboration with its Manufacturer.

Please do note that the WFSGI is acting as administrating and handling agent only for FIFA, and that therefore the WFSGI's liabilities and responsibilities are limited to the extent set forth in Sect. 6 below.

1. Initial Parties

- 1.1. World Federation of the Sporting Goods Industry, hereafter ("WFSGI"); and
- 1.2. The FIFA Licensee (Applicant).

2. Third Parties

- 2.1. Manufacturer, which is used by the FIFA Licensee (Applicant) for the production of FIFA Quality, FIFA Quality PRO and International Match Standard (IMS) footballs.
- 2.2. Sub Contractor(s): Company(ies)/Manufacturer(s) under contract of the Manufacturer for taking care of a part of the football production.
- 2.3. Trading Company: Company that acts as an intermediary between the FIFA Licensee (Applicant) and its Manufacturer.
- 2.4. International Federation of Association Football, hereafter ("FIFA").

3. General Terms

- 3.1. Service

WFSGI shall in its role as handling and administrating agent on behalf of FIFA provide guidance, gather the

necessary evidences, verify audit reports, conduct research and finally provide a Pledge Approval Letter to the FIFA Licensee (Applicant) in accordance with the terms and conditions of this WFSGI Guidance Manual and Agreement, hereafter (“Service”).

3.2. Delivery of the Service

3.2.1. Start date: The WFSGI shall commence with its services on the date the FIFA Licensee (Applicant) contacts the WFSGI.

3.2.2. Completion date: The date of completion will be reached when the FIFA Licensee (Applicant) has proven its Manufacturer’s compliance with the WFSGI Code of Conduct and is in accordance with all the terms and conditions of this WFSGI Guidance Manual and Agreement.

3.3. Service Fee

3.3.1. The fee for the provision of the service by the WFSGI is CHF 1’500 (one thousand five hundred Swiss Francs).

3.3.2. The fee has to be paid by the FIFA Licensee (Applicant) for each submitted Pledge.

3.3.3. WFSGI members: The Pledge service is included in the yearly WFSGI membership fee and no additional costs will apply.

3.4. Payment

3.4.1. Once the FIFA Licensee (Applicant) has submitted a duly completed and signed Pledge form and has proven its Manufacturer’s compliance with the provisions of the WFSGI Code of Conduct, the WFSGI shall invoice the FIFA Licensee (Applicant).

3.4.2. The fee is payable in full upon receipt of the respective invoice.

3.4.3. The FIFA Licensee (Applicant) that is also a WFSGI Member is required to pay its WFSGI membership fee and all other outstanding invoices before the WFSGI will start to provide this service.

4. Submission of the WFSGI Pledge by the FIFA Licensee (Applicant)

4.1. The WFSGI Pledge

4.1.1. The FIFA Licensee (Applicant), in cooperation with the respective Manufacturer, shall apply for the WFSGI Pledge on a yearly basis as long as the FIFA Licensee is using the FIFA Quality Label.

4.1.2. The FIFA Licensee (Applicant) has to submit a Pledge for each particular Manufacturer producing FIFA Licensed footballs.

4.1.3. After the FIFA Licensee’s (Applicant’s) request, the WFSGI shall provide the Applicant with a new, original and uniquely numbered Pledge Form for every following year.

4.1.4. The WFSGI shall only accept original or scanned, uniquely numbered, fully completed and duly signed WFSGI Pledge Forms.

4.1.5. The WFSGI shall not accept modifications in Pledge Forms or recycled Pledge Forms.

4.2. WFSGI Code of Conduct

The WFSGI Code of Conduct version to be complied with is the WFSGI Code of Conduct as approved by the WFSGI General Assembly in Munich on January 23, 2016, and is subject to changes or amendments at the WFSGI's sole discretion as set forth in the last paragraph of this WFSGI Guidance Manual and Agreement.

4.3. Audit Report

4.3.1. The FIFA Licensee (Applicant) shall provide the WFSGI with an audit report that shows its Manufacturer's compliance with all provisions of the WFSGI Code of Conduct.

4.3.2. The audit report must not be older than one year; calculated from the day the previous WFSGI Pledge has expired. The audit must be conducted between the date when the last Pledge was issued and the date when the new Pledge will be made. For new applicants, the audit report must not be older than one year, calculated from the day the Pledge Form has been issued by the WFSGI. One and the same audit report can only be used for one single Pledge request.

4.3.3. The FIFA Licensee (Applicant) shall use an auditing company, which is a member of the Association of Professional Social Compliance Auditors (APSCA). The up-to-date list of all accredited service providers can be found at <https://www.theapsca.org/>

4.3.4. The audit report submitted to the WFSGI must be owned by the FIFA Licensee (Applicant) or its Manufacturer. The WFSGI shall not accept audit reports owned by any other third parties.

4.3.5. The audit report must be issued in English.

4.4. Audit Fatigue

There is no need to conduct a new audit if an audit report – which fulfils the requirements set forth in this Guidance Manual and Agreement (Sect. 4.3) – is already available. In any case of doubt please contact the WFSGI.

4.5. Non-compliance

4.5.1. In case the social audit report shows non-compliance with the WFSGI Code of Conduct, the WFSGI shall not issue the Pledge Approval Letter.

4.5.2. The FIFA Licensee (Applicant) shall provide a Corrective Action Plan (CAP) with a confirmation from the auditor that all the previously identified cases of non-compliance with the WFSGI Code of Conduct have been resolved.

4.5.3. In case of doubt of non-compliance by one of the parties, random verifications can be made upon request of the WFSGI and shall be delivered by the FIFA Licensee (Applicant) accordingly.

4.6. IMAC and SGFI

4.6.1. Manufacturers located in Pakistan are required to be 'member in category A' of the Independent Monitoring Association against Child Labour (IMAC).

4.6.2. Manufacturers located in India are required to be 'member' of Sports Goods Foundation of India (SGFI).

5. Approval of the Pledge by the WFSGI

5.1. Approval Letter

5.1.1. The WFSGI shall approve the WFSGI Pledge submitted by the FIFA Licensee (Applicant) in cooperation with its respective Manufacturer when:

- a) The Manufacturer is in compliance with all the provisions of the WFSGI Code of Conduct proven by a social audit report;
- b) The FIFA Licensee (Applicant) and its Manufacturer are in accordance with all terms and conditions of this WFSGI Guidance Manual and Agreement by completing and signing the WFSGI Pledge Form; and
- c) The receipt of the payment for the Pledge service fee in the WFSGI's bank account has been confirmed by the WFSGI.

5.1.2. The WFSGI shall send the Approval Letter accompanied by the completed WFSGI Pledge Form to FIFA.

5.1.3. The Pledge is valid for one year starting from the date stated on the WFSGI Pledge Approval Letter.

5.2. Expiration

5.2.1. The FIFA Licensee (Applicant) is solely responsible for renewing the WFSGI Pledge and providing the WFSGI with a duly dated social audit report.

5.2.2. The WFSGI shall send an alert three (3) months prior to the expiration date to remind the FIFA Licensee (Applicant) to renew the WFSGI Pledge on time.

5.2.3. If the WFSGI Pledge is not renewed at the expiration date, the terms and conditions of the FIFA Licensee's (Applicant's) contract with FIFA will apply.

6. Liabilities

6.1. The WFSGI is acting as verification, administrating and handling agent for FIFA only and can therefore not be held liable for any of its activities performed or owed hereunder except for any gross-negligent or deliberate unlawful acts or omissions.

6.2. It is both the FIFA Licensee (Applicant) and the Manufacturer's duty and liability to ensure that the requirements stipulated in this WFSGI Guidance Manual and Agreement and in the WFSGI Pledge Form are fully met and complied with throughout the whole one-year validity period of the respective Pledge upon signing of the WFSGI Pledge Form.

7. Governing Law, Place of Venue

7.1. This WFSGI Guidance Manual and Agreement for the WFSGI Pledge for the FIFA Quality Programme shall be exclusively governed by Swiss Laws.

7.2. Any dispute between the WFSGI and the FIFA Licensee (Applicant) arising of or pertaining to the WFSGI Pledge for the FIFA Quality Programme, which cannot be settled amicably, shall be exclusively dealt with by

the civil courts of Berne, Switzerland.

8. Changes of the WFSGI Code of Conduct and all other Documents relating thereto, Effective Date

- 8.1. The WFSGI reserves its right to modify the present applicable version of its Code of Conduct and of any other documents and forms pertaining to the Pledge application process whenever deemed required in the WFSGI's view at its discretion with the approval of FIFA. Such modified version will then be valid from the next Pledge renewal onward and will fully replace the respective preceding version.
- 8.2. This version of the WFSGI Guidance Manual and Agreement shall become effective as of 25th September, 2018.