

Historical Background – Joining Forces for a Common Goal

To effectively address labor and environmental issues within the bicycle industry a group of leading brands, suppliers and retailers have come together to form the 'Responsible Sport Initiative'. The RSI is the product of over three years work by members joining forces under the umbrella of the WFSGI - World Federation of the Sporting Goods Industry (WFSGI) to address issues of Corporate Responsibility.

The product of this work is a centrally administrated and coordinated social auditing tool based on a commonly held set of standards & protocols.

Purpose of this Initiative – a Joint Industry Solution

The auditing experiences of other sectors within the sporting goods industry have shown that a shared approach is the most effective way forward, minimizing confusion, audit duplication and audit fatigue for suppliers supporting multiple brands.

The mandate of the RSI group is to create a single, shared approach for social and environmental issues across the supply chain through a commonly held code of conduct, evaluation protocol and execution of supply chain audits to cultivate a culture of collaboration and continuous improvement.

The goals for this initiative include:

- Create and adopt a commonly held code-of-conduct
- Improve facility performance on code-of-conduct standards through consistent communication between brands and production facilities
- Broaden the participation of industry stakeholders in shared facilities creating a more sustainable monitoring approach for both brands and suppliers
- Reduce resource load of facility personnel through consistent messaging, shared client audits and capacity building efforts
- Enhance systemic change by identifying and addressing industry and country risk issues that can be better addressed through broader solutions rather than a factory-by-factory approach.

RSI Standard - One industry, one standard, one audit scope

The RSI standard is based on the WFSGI Code of Conduct. This code has been applied by the sporting goods industry on a broad basis. The principles of the WFSGI Code of Conduct reflect the relevant ILO Conventions, the Universal Declaration of HR and internationally accepted occupational health and safety standards.

The WFSGI Code of Conduct covers the following issues:

- Forced Labour
- Non-Discrimination
- FoA / Collective Bargaining
- Wages and Benefits
- Hours of Work
- Regular Employment
- Child Labour
- Health and Safety
- Harassment or Abuse
- Environment

The WFSGI Code of Conduct is publicly available on www.wfsgi.org.

Fair Factories Clearinghouse – The Sharing Platform

The RSI has opted to use the FFC system as the sharing solution for this initiative. FFC facilitates sharing of information relating to workplace conditions among FFC members to promote transparency in accordance with antitrust and anti-competition guidelines. This results in a global clearinghouse of factory information, allowing members to identify common needs for workplace improvement, prioritize them and address them collaboratively. The RSI provides a confidential and protected solution for disclosing information about users' supply chains. Collaboration lowers costs, reduces labor, increases learning, improves leverage and enhances factory performance.

To drive industry-wide collaboration, companies need an organization that is multi-party, market-wide, standards-neutral, mission-oriented, relationship enabling and not bottom-line vested. This is the role the FFC plays.

Benefits and Implications for Members – A coordinated and efficient process for a practicable way forward

In a first stage RSI members are requested to include their suppliers in the FFC – Fair Factories Clearinghouse database. Thereupon, all members have to provide the RSI Secretariat with the list of suppliers they wish to audit. Based on all lists received, the RSI Secretariat will assess the overlap and inform members accordingly. In so doing members can share audit costs and coordinate audits of shared suppliers.

Members can then choose whether they initiate and administrate audits on their own or if they wish to outsource the audit administration to the RSI Secretariat. All audits will be ordered through the form available on the FFC platform. Cooperating audit service providers will automatically be alerted by this FFC feature and thereupon schedule the audits at the factories.

Once the audit has been conducted, the audit service providers will discuss the corrective action plan with the supplier in a closing meeting. Then the audit service provider will upload the report on FFC. The audit report will be automatically made available to all the participating members sourcing from the audited supplier.

The members who are sharing the audit will designate a so-called lead brand. The latter is the focal contact for corrective actions and will go through the remediation process with the supplier. The lead brand will update the other participating members about any progress with regard to the corrective action plan.

Benefits and Implication for Suppliers – Prevention of Audit Fatigue, Harmonized Communication, Aligned Remediation

As companies begin to audit their supply chain, it is the right time to join forces and begin to collaborate to drive positive change within the bicycle industry. By building on the positive experiences in other segments of the sporting goods industry, we can quickly and effectively begin the process of ensuring positive working conditions with our suppliers.

The RSI offers a unified solution for the bicycle industry based on a single shared standard. This standard will be audited using a single questionnaire and reports will be shared among customers of the supplier. Further, the RSI will brief a limited number of auditing firms using a single auditor protocol. By streamlining the auditing process work for suppliers is greatly reduced, lessening the possibility of audit fatigue.

Through this system, the entire remediation process will be aligned and coordinated. Corrective actions will be communicated through a single template and a harmonized remediation timeline will be adopted.

Suppliers may also use the RSI as the platform for showcasing corrective actions and communicating pro-active commitment. The FFC can be utilized by suppliers as one-stop shop to communicate with all their clients. And the RSI secretariat will serve as neutral place to go.

If you are interested in learning more about the RSI and membership, please feel free to contact Marc Magnus (mmagnus@wfsgi.org or +41 31 939 60 61).