

Engagement with Overseas Suppliers

Improve the working environment and working conditions of subcontractors by building supply chain management systems and improving them on the ground

ASICS Corporation



Initiatives in the wake of the Athens Olympic Games

In the run-up to the 2004 Athens Olympic and Paralympic Games, international NGOs and trade unions launched “Play Fair” campaigns in which they claimed that workers were being exploited at the factories of the world’s leading sports and apparel brands, including ASICS; and they called for improvements. In fact, there were no facts confirmed that the workers were exploited in the subcontractor factories of ASICS pointed out by the NGO. However, ASICS recognized the need to strengthen respect for human rights of employees in the supply chain, and thus began to build a sustainable supply chain management system.

Characteristics of this industry are labour-intensive and often outsourced. Therefore, in order to achieve fair labour practices throughout the supply chain, it is important to improve the supplier’s ability to respond and to build a system to manage them. Under ASICS’ top management leadership, the CSR department and production departments worked together to promote collaboration and engagement with suppliers.

ASICS asks all suppliers to comply with the ASICS Global Code of Conduct and Policy of Engagement, which calls for compliance with laws and regulations, as well as international instruments regarding workers’ rights and occupational health and safety. ASICS conducts audits to confirm suppliers’ performance, and has audited more than 150 first tier suppliers at intervals of one to two years. There are 17 audit check points, with particular focus on forced labour, child labour, abuse and harassment, wages, discrimination, and working hours. Each check point is scored in five stages and evaluated from A (excellence) to E (significant improvement required).

ASICS uses three different methods for conducting audits. The first one involves in-house audits conducted by the employees of ASICS. The second method is third party audits entrusted to audit companies familiar with local languages and laws, and includes worker interviews that cannot be collected through ASICS’ in-house audits. The third one is audits by a third party program, such as ILO’s Better Work Programme, described below.

The issues found in the audits are followed up based on the urgency and severity of impact

on workers. In the case of minor findings, ASICS asks suppliers to improve within three months and to submit an improvement report. In the case of findings that have a severe impact on workers, ASICS requests an immediate response. In some cases, additional investigations are conducted by third-party auditors or contracts and/or orders are cancelled.

Importantly, ASICS thinks it is important not just to ask suppliers to make improvements in a unilateral manner but also to support them to make those improvements. To this end, ASICS analyses findings from the audits and provides



training and information on issues, such as labour management and workplace health and safety, to support autonomous efforts for improvement in its suppliers.

Promoting industrial dialogue at the factory level

Despite regular audits, some issues did not diminish, such as unpaid wages, long working hours, and health and safety for young workers at factories. In 2014, for the first time as a Japanese company, ASICS participated in the ILO’s Better Work (BW) and Better Factories Cambodia Programs (BF). BW/BF programs

aim to improve working conditions as well as corporate competitiveness in the apparel industry’s global supply chain. These programs support companies and governments to comply with the ILO’s core labour standards and domestic labour laws, assess factory compliance and support capacity building to improve working conditions through cooperation and dialogue between workers and management. ASICS decided to participate in these programs from the viewpoint of international trustworthiness, facilitation of communication with workers and cooperation with international organizations to address labour issues in the overseas supply chain, as well as to avoid duplication of audit requests from multiple customers. Currently, ASICS adopts this framework in Cambodia, Vietnam, and Indonesia. In addition, since the BW program allows suppliers other than BW members to attend the BW training program, ASICS has invited all its suppliers, including second tier suppliers, to join the training, so that ASICS can promote decent work throughout the supply chain.

Findings uncovered through the BW/BF audits are improved through discussions between workers and management at the plant. So far, improvements have been made to prevent fires and accidents in the factories. In addition, a sewing skills development program adopted through dialogue with workers also resulted in improving productivity. Based on the experience of these efforts, ASICS has proposed a subcontractor factory in China to create a framework and Occupational Safety and Health Commission and has actually led to solving problems by establishing a place for regular dialogue between workers and management.

Please refer to the ILO column (page 33) for BW/BF.

NOTE



MNE Declaration
par.10, par.38, par.44



Related SDGs
Goal 3, 8, 17