

GUIDANCE MANUAL & AGREEMENT

WFSGI PLEDGE FOR THE FIFA QUALITY PROGRAMME

ARTIFICIAL TURF

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, the Proxy Holder of the Manufacturing Plant producing for FIFA Licensee(s) signifies that he has 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 Manufacturing Plant producing for FIFA Licensee(s) 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 (-ies) 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 Manufacturing Plant producing for the FIFA Licensee(s).

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 Manufacturing Plant (Applicant):
 - a) Owned and/or controlled by the FIFA Licensee; or
 - b) Independent manufacturer producing for FIFA Licensee(s).

2. Third Parties

- 2.1. International Federation of Association Football, hereafter ("FIFA").
- 2.2. FIFA Licensee(s) sourcing from the Independent manufacturer (Sect. 1.2.b).
- 2.3. Trading Company: Company that acts as an intermediary between the Manufacturing Plant (Applicant) and the FIFA Licensee(s).

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 Manufacturing Plant (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 Manufacturing Plant (Applicant) contacts the WFSGI.

3.2.2. Completion date: The date of completion will be reached when the Manufacturing Plant (Applicant) has proven its 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 Manufacturing Plant (Applicant) or the FIFA Licensee that owns and/or controls the Manufacturing Plant (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 Manufacturing Plant (Applicant) has submitted a duly completed and signed Pledge form and has proven its compliance with the provisions of the WFSGI Code of Conduct, the WFSGI shall invoice the Manufacturing Plant (Applicant) or the FIFA Licensee that owns and/or controls the Manufacturing Plant (Applicant).

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

3.4.3. The Manufacturing Plant (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 Applicant

4.1. The WFSGI Pledge

4.1.1. The Manufacturing Plant (Applicant) shall apply for the WFSGI Pledge on a yearly basis as long as the FIFA Licensee who owns and/or controls the Manufacturing Plant (Applicant) uses the FIFA Quality Label; or as long as the Manufacturing Plant (Applicant) produces artificial turf for any FIFA Licensee(s) using the FIFA Quality Label.

- 4.1.2. The Manufacturing Plant (Applicant) has to submit a Pledge for each particular production place.
- 4.1.3. After the Manufacturing Plant (Applicant's) request, the WFSGI shall provide the Manufacturing Plant (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 Manufacturing Plant (Applicant) shall provide the WFSGI with an audit report that shows its factory's compliance with all the 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/apsca-member-firms.html>
- 4.3.4. The audit report submitted to the WFSGI must be owned by the Manufacturing Plant (Applicant) or the FIFA Licensee who owns and/or controls the Manufacturing Plant (Applicant). The WFSGI shall not accept audit reports owned by third parties.

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 – 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 will not approve the Pledge.
- 4.5.2. The Manufacturing Plant (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 Manufacturing Plant (Applicant) accordingly.

5. Approval of the Pledge by the WFSGI

5.1. Approval

5.1.1. The WFSGI shall approve the WFSGI Pledge submitted by the Manufacturing Plant (Applicant) when:

- a) The Manufacturing Plant (Applicant) is in compliance with all the provisions of the WFSGI Code of Conduct proven by a social audit;
- b) The Manufacturing Plant (Applicant) is 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 Manufacturing Plant (Applicant) is 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 Manufacturing Plant (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 current Licence Agreement between the FIFA Licensee sourcing from the Manufacturing Plant (Applicant) and 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 Manufacturing Plant (Applicant) and the FIFA Licensee's owning and/or controlling the Manufacturing Plant (Applicant) or sourcing from the Manufacturing Plant (Applicant) 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 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.