
ASICS SUBMISSION



Clean Clothes Campaign Wage Survey

Response ID:75; Data

1. Login/Password Action

2. Introduction

1. Company name:

ASICS Corporation Japan

2. Brands owned by company:

ASICS, Onitsuka Tiger, Haglofs

3. Main contact person:

Name: : Minako Yoshikawa

Email: : yoshikawa-mi@asics.co.jp

Contact phone number: : +81 78 303 1244

3. The living wage standard

4. 1.1 What is your company's position on payment of the living wage to workers in your supply chain?

ASICS recognizes the issues around fair wages in our industry as well as the need for a clear fair wage mechanism going beyond a strict living wages scope.

As a first step, we think consensus-building towards the definition of a fair wage framework and identification of fair wage practices is essential.

ASICS takes deep interest in discussions around fair wages and related practices at industry level and within the ILO participates in industry working groups around the subject as well as doing our own research on the subject.

Combined with the right on collective bargaining and freedom of association, we see fair wages as ongoing priority in our industries supply chain.

5. 1.2 Please give the link to the code of conduct which is used when monitoring conditions in your supplier factories. If it isn't publicly available, please upload a copy using the option below.

<http://www.asics.com/responsibility/engagement>

Upload option.

6. 1.3 Does your company agree with the definition of a living wage as given [here](#)?

No, our definition differs from the definition given.

If no, please provide details of how your definition of a living wage is different and give justification.

ASICS does not yet have a company definition of living wage in particular as we believe a more broader approach to wages is advisable. This broad approach does not automatically excludes what in this survey is referred to as a living wage as is illustrated by the fact that a subsidiary of the global ASICS Group is a

member of the Fair Wear Foundation (FWF), while others participate to the Fair Labor Association (FLA). As a Group however we would, rather than pursuing only one of the current definitions of a living wage, like to see a clear consensus around fair wages which include a wider range of worker rights and labor practices which could include what one might call a living wage.

4. Respect for freedom of association and collective bargaining, a precondition for a living wage

7. 2.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to workers in your supplier factories and subcontractors?

Commitment and communication to workers of our Policy of Engagement is a starting point and requirement to any of our supplying factories. This mean handover or public posting of ASICS' commitment to Freedom of Association and Collective Bargaining through our Policy of Engagement in local language.

From the moment a formal contract is established, all our suppliers (100%) commit to our ASICS Policy of Engagement and by doing so have acknowledged and agreed to comply to the right for workers to associate and bargain collectively

Percentage of supplier factories and subcontractors reached by these measures:

100%

Please supply an example of materials used:

8. 2.2 Do you support or facilitate training for workers to ensure they are aware of their right to freely associate, in conjunction with local independent trade unions or workers' rights organisations? Please supply details:

We support our suppliers in their efforts to increase awareness amongst workers on their right to freely associate. As mentioned in above response to question 2.1, we require public posting of our Policy of Engagement in local language and/or training of staff on its content to all our supplier factories.

Also through our engagement with country specific initiatives Freedom of Association is further supported. Examples are our commitment to the Indonesia Freedom of Association Protocol and our collaboration iwth Better Work (ILO)

Names of local unions or workers rights organisations: : In Cambodia we require all our suppliers (100%) to commit to Better Factories Cambodia and are working on the formalization of their commitment at this point. Unions in Cambodia with whom we had been communicating are CWLFU, CUMW, CLUF and CFLM. In Indonesia, suppliers which account for more than half of our supply base in this country have formally committed to the Indonesia Protocol. Other suppliers, having implemented their own mechanisms for worker representation/communication with its trade unions are evaluating.

Percentage of supplier factories reached by these measures: : See above

9. 2.3 Do you provide training for management of your supplier factories and subcontractors on the right to freedom of association?

We provide trainings to management of our supplier factories and the rights to freedom of association is part of these trainings as it forms a fundamental part of our ASICS Policy of Engagement.

When our staff conducts assessments of supplier facilities, our Policy of Engagement is always elaborated on and any findings during the audit explained/solutions and best practices presented in the form of a small training to suppliers.

Some examples of specific trainings are a training organized in collaboration with Better Factories earlier this year in Cambodia and a periodic supplier training in China.

The Better Factories session has been attended by 100% of our suppliers in Cambodia.

The last two seminars in China have been attended by 13% of our suppliers in China (attendance subject to presence at earlier seminars and location of the training).

Percentage of supplier factories and subcontractors reached by these measures:

10013%

10. 2.4 Have your supplier factories and subcontractors issued the Right to Organise Guarantee to workers in any of your production units?

	Country:	Number of suppliers:	Details:
1:			
2:			
3:			
4:			

Please provide a sample of materials used in specific countries:

11. 2.5 Do you require supplier factories and subcontractors to sign Union Access Agreements? If yes, please supply details.

At this point, ASICS does not require suppliers to sign access agreements between factory management and local unions.

We urge to open dialogue between factory management, trade union and workers. Freedom of Association forms an important part of our terms for collaboration to suppliers.

ASICS has a long tradition of open dialogue and union partnerships. Unions are a clear and widely accepted presence in our offices.

Number of supplier factories with agreements:

Please provide a sample of agreements signed:

12. 2.6 Does your company have an accessible, actionable and safe means by which workers can file and follow up on complaints about violations of freedom of association and collective bargaining rights? How do you monitor that this can be accessed freely by workers?:

ASICS recognizes the value of a direct grievance channel to brands, and have started establishing direct grievance channels in its supply base.

This includes training of factory management on the subject. An effective grievance channel should work through production site including trade union and achieve a factory working environment to be trustworthy to all involved and workers can rely on factory management and vice versa. In other words, empower workers and factory management to come to solutions themselves, instead of depending only on imposed measures from brand side.

In addition, during audits we conduct, after reassurance of non-retaliation to interviewee, off-site interviews in order to receive input from workers on possible complaints, grievance and opinions regarding factory working conditions.

Complaint boxes are a commonly found procedure in most of our suppliers in addition to other measures such as a workers committee and/or through unions. In China an ASICS complaint hotline is displayed at subcontracted factories to provide workers an independent communication channel.

13. 2.7 Have you done any work to limit the use of short term contracts in your supplier factories and subcontractors?

Please provide details of your policy and its impacts in relevant countries: : During supplier audits and review of HR documents, short vs long term contracts is being reviewed

How has any of this work impacted on workers ability to receive seniority bonuses?: : An experience in Cambodia with one of our suppliers however illustrated that not in all cases long term contracts are favored by

the workforce themselves. In this particular case ASICS had worked with Better Work (ILO) to limit the use of short term contract (being no more than 2 years). The workers committee and unions requested however the factory to keep short term contract as they prefer to receive 5% additional payment at the end of the contract. We have verified this and confirmed directly with workers and Better Work. In addition to this example, many of our suppliers recognize the added value of maintaining an experienced, longer term workforce and allowing knowledge to sustain within the own organization.

14. 2.8 Is there anything else you would like to tell us about work you have done so far, or work you are planning, to promote the right to freedom of association in your supply chain?

5. Dialogue and negotiation with labour rights organisations

15. 3.1 Please provide details of any active collaborative work undertaken with independent trade unions or labour rights organisations in your sourcing countries:

In addition to existing ongoing dialogue with various labor right organizations and trade unions, during the last period we have been actively collaborating and communicating with the following:

Indonesia:

Labor Rights Initiatives: Play Fair

Trade Unions: Unions, Supplier Factories and Brands collaborative move on Indonesia FOA Protocol

Cambodia:

Labor Rights Initiatives: Better Factory Cambodia, American Center for International Labor Solidarity

Unions: IndustriALL, CWLFU, CUMW, CLUF, CFLM

16. 3.2 Have any of your collaborations resulted in unions or bargaining processes starting within your supplier factories?

We actively led the discussions and meetings of one of our suppliers management with local unions, IndustriALL and ACILS regarding the compensation to the affected workers and health safety improvements at a factory after an accident.

One of the priority aims of Better Factory Cambodia is to establish a stable communication platform for factory management and the sometimes multiple unions who are represented in the facilities. ASICS urges all its Cambodian suppliers to commit to the Better Factories programme.

6. 4. Benchmarks for a minimum living wage

17. 4.1 Does your company have internal figures that it uses to benchmark living wages for each sourcing country or region?

Yes

If yes, please provide details of how these were developed and how they are used:

Wage levels at factories are an integral part of any supplier self-assessment or document review conducted as part of a factory audit.

Information received from self assessments and different types of supplier audits (third party or by our own accredited staff) feeds into our internal system for managing our supply base

18. 4.2 Please provide information about the figures you are using to benchmark a living wage in your 3 main production countries or regions.

	Country/region	Living wage benchmark
1.		
2.		

3.

19. 4.3 Please give details of the number of your supplier factories in Asia that are currently paying the Asia Floor Wage.

	Country/region	Number of supplier factories paying Asia Floor Wage
1.		
2.		
3.		
4.		
5.		

7. Purchasing practices that make living wages possible

20. 5.1 Is your company doing work to limit the use of subcontractors in your supply chain and/or consolidate your supplier factory list? Please provide details:

ASICS actively strives to consolidate its supply chain.

Direct relations with all our suppliers are favored over subcontracting.

Subcontracting is not allowed to our manufacturing partners without prior written approval by ASICS

21. 5.2 Does your company operate a policy of buyers favouring supplier factories that consistently meet a high wage standard? How?

Our sourcing teams are in close collaboration with our CSR & Sustainability team.

No new business relation is established with suppliers without prior assessment of social and environmental sustainability performance and prior approval by our CSR & Sustainability Team is needed.

ASICS uses an internal rating system to evaluate its suppliers over time. Performance on labor standards/wages is part of this rating.

22.

23. 5.3 Does your company break down and calculate whether FOB prices per piece are sufficient to allow for compliance with the wage standard your company has set out in its code of conduct?

Cost break down and calculations are an integrated part of our product development and sourcing processes.

Within external and internal projects we are exploring and discussing advanced labor costing

24. 5.4 Does your company operate a policy of buyers favouring supplier factories that support the establishment and functioning of genuine trade unions, and those with collective bargaining agreements?

Compliance to our Policy of Engagement is part of our formal agreements with any business partner of ASICS.

This includes recognition of the right to collective bargaining and freedom of association

25. 5.5 Please provide information about any other work your company has done / is planning to do on improving your purchasing practices, in relation to wages.

8. Living wage projects

26. Please provide details of any projects here. Please note you can cut and paste long pieces of

text into these small boxes if necessary:

	Project 1	Project 2	Project 3	Project 4
Location:				
Number of factories and workers involved:				
Living wage benchmark used:				
Partnerships:				
Wage increase achieved:				
Details of process:				

27. Please upload any useful supporting documentation here:

9. New Page

28. 7.1 Have you publicly supported calls from civil society and unions to increase the minimum wage to a living wage standard in your production countries? Have you made this position clear towards governments and employers associations?

At this stage, ASICS has not publicly communicated our specific strategy on living or fair wages

29. 7.2 As part of this work, have you issued a public statement assuring country governments that you will not relocate production as a result of minimum wage legislation that ensures a living wage?

10. Transparency

30. 8.1 Does your company publish a full public list of supplier factories, and sub contractors, their locations and products?

As part of our membership of the Fair Labor Association (FLA), or industry associations and/or while collaborating with Non Governmental Organizations such as Better Work we are transparent in disclosing details of our supplier base. However, supplier information is considered confidential by some of our business partners and ASICS is not able to publish their company details into the public domain

Do you have plans to publish a full list in the future?

31. 8.2 Does your company publish impact reports on projects related to wages?

11. Collaborative working

32. 9.1 Please provide details of your involvement with any multi-stakeholder initiative projects working to improve wages:

Industry collaboration plays an important role in our approach to improving working conditions (incl improvement of wages) within our industry. ASICS is involved with the following multi stakeholder initiatives:

- FLA: participating member
- WFSGI: CSR committee
- AAFA: American Apparel and Footwear Association
- ILO/Better Work
- Fair Wear Foundation

33. 9.2 Please provide details of any work you have initiated outside an MSI, directly with other companies which has improved wages:

34. Supporting documents:

12. 10. A clear route map for implementing a living wage for all workers

35. 10.1 Has your company developed a strategy for delivering a living wage in your supply chain? Is this a public commitment?

ASICS recognizes the need to establish a clearly defined Fair Wages mechanism in our Industry. To realize it, we think consensus-building toward the adoption of the clear definition of fair wages and related practices is essential.

ASICS takes deep interest in discussions regarding wages at industry level whilst being mindful of Anti-Trust standards and regulations. Furthermore we actively participate in industry working groups around the subject (e.g. as part of the WFSGI), conduct our own research on the subject while maintaining an open view on other perceptions than our own. Combined with the right on collective bargaining / freedom of association we see fair wage related issues a key area to be addressed on the labor standards agenda in our industry. At this stage, we have not publicly communicated our specific strategy on living or fair wages.

36. 10.2 Does this strategy have a time scale? If yes, please state.

At this stage, we have not publicly communicated our specific strategy on living wages and therefore have not specified timelines yet.

37. 10.3 What consultation have you carried out on this strategy, both within and outside your company?

Combined with the right on collective bargaining / freedom of association we see fair wages and related issues as key challenges to an equitable values based industry.

ASICS takes deep interest in discussions regarding fair wage practices and standards at industry level.

This is with the ILO (incl Better Work), in the WFSGI, within our own team of supply chain management experts and other industry collaboration platforms that we take part in.

38. 10.4 How will you ensure that vulnerable workers, such as homeworkers or migrant workers are also included in efforts to increase wages?

ASICS does not work with suppliers who make use of home workers.

Review of KPI's on supplier employees is a basic element of our compliance monitoring procedures. These include information and data on migrant workers.

We require all our suppliers (and indirectly their subcontractors if any) to comply to our Policy of Engagement which as such also applies to migrant workers

39. 10.5 Is there anything else you would like to tell us about your work on the living wage that hasn't been covered in this survey?

13. Further questions about your supply base

40. 1. What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

	Country	Percentage of production	Number of suppliers
1	China		162

2	Vietnam		20
3	Indonesia		20
4	Japan		17
5	Chambodia		9
6			
7			
8			
9			
10			

41. 2. What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:

Production at factories owned by your company: : 2%
 Orders placed directly to supplier factories: : 49%
 Orders placed through agencies or intermediates: : 49%
 Other: : %

42. If other, please specify.

On above question 1): We consider the by-country production ratio commercially confidential, and therefore would like to refrain from disclosing

43. 3. What is the length of time that you have been working with your current suppliers?

	% of suppliers
More than 5 years:	n.a.
2-5 years:	n.a.
Less than 2 years:	n.a.

44. 4. How many sites did you use to produce your goods in 2012?

First tier suppliers: : See above questions for the amount of suppliers in our main production countries as well as the balance between direct supplier factories and indirect.

45. 5. How many supplier factories do you trade with where you have a regular production share of more than 25%?

Number of suppliers: : ASICS only has a production share above 25% with a limited part of its supply base. It is specifically for this reason that we seek industry collaboration in our efforts to work towards a safe and fair sporting goods industry

Response Location

Country:	Europe
Region:	
City:	

Postal Code:

Long & Lat:

Lat: 47, Long:8

From : yoshikawa-mi@asics.co.jp
To : "anna" <anna@labourbehindthelabel.org>
Cc : "Niki De Koning" <niki@schonekleren.nl>, romy.miltenburg@asics.com
Subject : Re: Asics profile
Date : Wed, 05 Feb 2014 08:36:23 +0000
Attachments : asics profile.doc, ASICSResponse.pdf

Dear Anna,

In reply to your message of last January 12 regarding our contribution to your wage survey and the draft profile on our company drafted from this, please find below our additional information:

On our company position and strategy:

ASICS recognizes the issues around fair wages in our industry as well as the need for a clear fair wage mechanism going beyond a strict living wages scope.

ASICS does not yet have a company definition of living wage in particular as we believe a broader approach to wages is advisable.

Our broad approach does not automatically exclude what in your survey is referred to as a living wage as is illustrated by the fact that a subsidiary of the ASICS Group is a member of the Fair Wear Foundation and has contributed actively as part of this commitment to fair wage studies performed by the FWF in 2012.

As a group, however, we would, rather than pursuing only one of the current definitions of a living wage, like to see a clear consensus around fair wages which include a wider range of worker rights and labor practices which could include what one might call a living wage.

ILO conventions and definitions regarding fair wages form an important starting point of our company on this subject. Our standards and procedures (e.g. factory assessments and evaluations) are based on these and address but are not limited to wage levels, payment and calculation of wages, overtime payment, provisions of paid holidays and social insurance payments, collective bargaining and other.

Combined with the right to collective bargaining and freedom of association, we see fair wages as an ongoing priority in our industry's supply chain. For 2014 the subject of fair wages is a priority subject within the ASICS Groups approach to Corporate Responsibility.

On Worker Empowerment:

In addition to compliance to our policies, including freedom of association, we also expect our suppliers to ensure workers understand and are aware of our standards and their rights. This can mean posting our policy in local language in the facilities but also by providing training to new employees and periodic refreshment trainings, distributing worker rights and policies in print or other. We provide trainings to factory management ourselves (e.g. during factory audits) but these can also be facilitated by local partner organizations such as Better Factories Cambodia.

Should you have questions, please contact us.

regards,
Minako Yoshikawa
General Manger
CSR & Sustainability Dept.
ASICS Corporation

吉川美奈子 Minako Yoshikawa
株式会社アシックス
グローバル法務・コンプライアンス統括部
CSR・サステナビリティ室
ASICS Corporation

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anna <anna@labourbehindthelabel.org>

宛先 <yoshikawa-mi@asics.co.jp>

2014/01/12 19:18

cc "Niki De Koning" <niki@schonekieren.nl>

件名 Asics profile

Dear Minako Yoshikawa,

Please find attached the first draft of your company's profile, which has been put together based on information you submitted to the Clean Clothes Campaign Wage Survey (also attached).

If you would like to correct any factual inaccuracies, or provide CCC with further information to support your submission which clarifies anything we have mentioned, then please send it to us by close of play on 30th January. Please note this profile is subject to change prior to publication, although it will mostly remain the same.

We were interested that you said in your profile that you have not publicly communicated a specific strategy on wages 'at this stage'. Does this mean your company plan to do so in the future? If so, what is the timeline for this? This information would be useful for including if you are able to provide it.

The report timeline going forward from this is that we will need a few more weeks to incorporate comments and finalise details, before the report is published towards the end of March – final date TBC. A finished copy of the report will be sent to you a few days before launch.

Copied in to this email is your CCC contact point person. Please be in touch with this person if you have questions or concerns. However, please do make sure to copy me in (anna@labourbehindthelabel.org) to mails with any additional concise information or factual corrections you wish to make to the text.

Best wishes,
Anna

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Anna McMullen | Campaigns Director | Labour Behind the Label

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E: anna@labourbehindthelabel.org | W: www.labourbehindthelabel.org

Please note: As of 1st March 2014 we will move offices to Easton Business Centre, Felix Road, Bristol BS50HE

Join the LBL [Facebook](#) group | Follow us on Twitter: @labourlabel

Labour Behind the Label works to improve conditions and empower workers in the global garment industry. We are the UK platform of the Clean Clothes Campaign, a coalition of campaigns in 15 European countries with a network of 250 organizations worldwide.

All LBL staff work 3 days a week only. My normal working days are Monday - Wednesday. You can reach me on the mobile number above at other times.