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## Submission to the Tokyo Organising Committee of the Olympic and Paralympic Games

### Proposed Sustainable Sourcing Code for the Tokyo Olympic and Paralympic Games in 2020

12 February 2016

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Caux Round Table Japan (CRT-Japan) and the Institute for Human Rights and Business (IHRB) are pleased to submit this “Proposed Sustainable Sourcing Code for the Tokyo Olympic and Paralympic Games in 2020” following our own public consultation. We respectfully encourage the Tokyo Organizing Committee for the Olympic Games (TOCOG) to use this document as a model in developing its own Sustainable Sourcing Code and supporting policies. Responsibility for the final text, and implementation, of such a Sustainable Sourcing Code will lie with TOCOG.

The Tokyo Olympic and Paralympic Games (the Tokyo 2020 Games) will be held from July to September 2020. Last year a Group of Experts for a Sustainable Tokyo Olympic and Paralympic Games published a survey *Sustainability Themes for the Tokyo Olympic and Paralympic Games in 2020*. The survey, which was open to public comment and which received comments from around the world, identified a number of key sustainability issues that the TOCOG needs to address as it prepares to stage the Games.

In response to the public interest and concern, and recognizing that it is essential for the Games' success that TOCOG make clear policy commitments toward ensuring that both environmental and social standards are respected in relation to purchasing for the Games, Caux Round Table Japan (CRT-Japan) and the Institute for Human Rights and Business (IHRB) have produced and invited public comment on a "Draft Sustainable Sourcing Code for the Tokyo Olympic and Paralympic Games in 2020". The public consultation lasted from August 25<sup>th</sup> to the end of September 2015. Comments were received from six organisations, including from Japan, UK and Austria. The "Proposed TOCOG Sustainable Sourcing Code for the Tokyo Olympic and Paralympic Games in 2020" that follows incorporates a synthesis of the views received during this public consultation. A list of the persons who submitted comments, their affiliation, and the content of the comments is attached (see Appendix 1 attached).

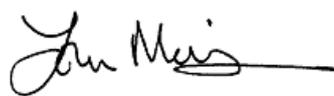
We encourage TOCOG to use the document that follows as a template during the process it has launched to develop a Sustainable Sourcing Code for the Toyo 2020 Games, and to compliment the earlier Human Rights Statement<sup>1</sup> that we jointly submitted to TOCOG for your consideration.

If you have any questions on this document, please contact Miho Okada, CRT-Japan.

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<sup>1</sup> <http://crt-japan.jp/files2014/2-4-0-olympic2020/pdf/A%20Proposed%20Human%20Rights%20Statement%20for%20the%20Tokyo%202020%20Olympics%20EN.PDF>

## About Caux Round Table Japan (CRT-Japan)

The Caux Round Table Japan (CRT-Japan) (<http://crt-japan.jp/en/>) is the Japanese arm of an international network of principled business leaders working to promote a moral capitalism (<http://www.cauxroundtable.org/>). We offer practical advice to corporations in the area of business and human rights in Japan. In 2012, one year before Tokyo won bid to host 2020 Olympic/Paralympic, CRT-Japan started to hold several events on Sustainable Event to share the human rights related risks associated with Tokyo 2020 Olympic/Paralympic. In 2014, we held *Global Conference on CSR and Risk Management* (<http://crt-japan.jp/en/seminar-overview/global-conference/>), and set one of the workshop themes as Mega-Sporting Events and human rights with support from IHRB. In 2015, we released *a request on Sustainability of the 2020 Tokyo Olympic and Paralympic Games* (<http://crt-japan.jp/en/2015/03/20/tokyoolympicgames/>) to Organising Committee (TOCOG), IOC, JOC, IPC, JPC, Japanese government and sponsors. Our activities as a member of *the Group of Experts for Sustainable Tokyo Olympic and Paralympic Games* are available here (<http://crt-japan.jp/en/2015/03/30/invitationforpubliccomments-en/>).

## About Institute for Human Rights and Business (IHRB)

The Institute for Human Rights and Business (IHRB) (<http://www.ihrb.org/>) is a global centre of excellence and expertise (a think & do tank) on the relationship between business and internationally proclaimed human rights standards. We work to shape policy, advance practice and strengthen accountability to ensure the activities of companies do not contribute to human rights abuses, and in fact lead to positive outcomes. IHRB's Mega-Sporting Events (<http://www.megasportingevents.org/>) Programme promotes good human rights practice at Mega-Sporting Events through global research, engagement, advocacy and outreach. In 2013 we published the report *Striving for Excellence: Mega-Sporting Events and Human Rights*<sup>2</sup> and in 2014 launched the learning web-platform, <http://www.megasportingevents.org>.

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<sup>2</sup> <http://www.ihrb.org/publications/reports/striving-for-excellence-mega-sporting-events.html>

# Proposed Draft Sustainable Sourcing Code for the Tokyo 2020 Olympic and Paralympic Games

## 1. Purpose

On 7th September 2013, the International Olympic Committee (IOC) awarded the 2020 Olympic and Paralympic Games to the city of Tokyo, Japan. This decision was based on a wide range of considerations and commitments, among them a pledge within Tokyo's Candidature File to the IOC that "TOCOG will develop strict criteria and Guidelines for the sourcing and purchase of products and services for the Tokyo 2020 Games"<sup>3</sup> that ensures both environmental friendly sourcing, and has "international labour standards and domestic labour law taken into account".<sup>4</sup>

"Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment."<sup>5</sup> The IOC's *2020 Candidature Procedures and Questionnaire* (which set the criteria for Tokyo's host city bid) and *Olympic Agenda 2020* reforms, and Tokyo's Candidature File each demonstrate support for implementing sustainability standards. The IOC and Tokyo Organising Committee for the Olympic Games' (TOCOG) commitments are also rooted in an understanding that local organising committees like TOCOG can exert powerful leverage through their sourcing activities. We are in position to affect change not only by helping to ensure that the Tokyo 2020 Games relies upon sustainably sourced goods and services, but also through raising industry standards among our many domestic and international commercial partners, and by promoting the social and environmental benefits, and competitive advantage, that can be derived from sustainable practices.

TOCOG is thus committed to delivering an Olympic Games with responsible sustainability standards across its supply chain. This Sustainable Sourcing Code supplements the Human Rights Statement<sup>6</sup> and pertains directly to TOCOG's procurement practices. The Sourcing Code and

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<sup>3</sup> Tokyo. *Candidature File volume1. 5.9 Sourcing and purchasing of products and services*, pp. 60. See: [http://tokyo2020.jp/en/plan/candidature/dl/tokyo2020\\_candidate\\_entire\\_1\\_enfr.pdf](http://tokyo2020.jp/en/plan/candidature/dl/tokyo2020_candidate_entire_1_enfr.pdf)

<sup>4</sup> Tokyo. *Ibid*

<sup>5</sup> This definition was adopted by the Swiss-led *Marrakech Task Force on Sustainable Public Procurement*, which is an international team comprising: Governments of Switzerland, Argentina, Mexico, Ghana, Philippines, China, Czech Republic, UK, Norway, USA, State of Sao Paulo, European Commission Services, UNEP, UNDESA, ILO, ICLEI, IISD. See: <http://www.unep.fr/scp/marrakech/taskforces/pdf/Procurement2.pdf>

<sup>6</sup> CRT-Japan and IHRB. *Draft Human Rights Statement for the Tokyo Olympic and Paralympic Games in 2020*. See: <http://crt-japan.jp/files2014/2-4-0-olympic2020/pdf/A%20Proposed%20Human%20Rights%20Statement%20for%20the%20Tokyo%202020%20Olympics%20EN.PDF>

The Human Rights Statement will be submitted to TOCOG, with the name of all persons who submitted comments during a consultation period for the document from June 16 to July 10 2015, to encourage TOCOG to adopt as its own.

Human Rights Statement should operate together, to ensure that impacts on all stakeholder groups throughout the value chain are properly identified, prevented, mitigated and accounted for. More specific codes and targets may be elaborated separately for different sectors and products.

## 2. Scope of Application

TOCOG will apply this Sourcing Code to all its direct activities and employment relationships, and to its commercial relationships, including sponsors, suppliers (and any sub-contracted manufacturers), licensees, sub-contractors and other commercial partners (commercial partners) throughout the life-cycle of the Games. TOCOG encourages its commercial partners to adopt this Code, or develop a similar code of their own.

To ensure consistency in sustainable procurement for all the sourcing activities associated with the Tokyo 2020 Games, TOCOG will work with our delivery partners, including Tokyo's Metropolitan Government, the Japanese Olympic Committee (JOC), and Japanese Government, as well as with the IOC, the International Sport Federations, and members of The Olympic Partner Programme (TOP), and to promote alignment with this Sourcing Code across the purchasing for the Games.

## 3. Areas covered

TOCOG expects its suppliers, licensees and subcontractors (“our suppliers”) to produce and source their goods and services in compliance with domestic Japanese laws and regulations, with relevant industry standards, and international environmental and social standards, including the UN Guiding Principles on Business and Human Rights<sup>7</sup>.

TOCOG's Sourcing Code encompasses guidance on nine issues to drive the sustainability agenda for the Tokyo 2020 Games.

- 3.1. Labour – Employment Conditions
- 3.2. Health and Safety
- 3.3. Diversity and Inclusion
- 3.4. Carbon

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<sup>7</sup> *Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework* (2011). See: [http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

- 3.5. Transport
- 3.6. Waste / Resources
- 3.7. Water
- 3.8. Materials and Products
- 3.9. Local Resources

As appropriate, we will require key information from our suppliers on each issue in order to ensure effective monitoring of supplier performance.

### 3.1. Labour – Employment Conditions

TOCOG is committed to respecting the human rights of all persons involved in the delivery and staging of the Tokyo 2020 Games, across the entire life cycle of the Games. To achieve this goal we require our suppliers to ensure that all staff (including employees, contracted, temporary and migrant workers) enjoy employment conditions that comply with ILO standards<sup>8</sup> or domestic Japanese regulations (where work is performed in Japan), whichever afford the greatest protections.

At a minimum our suppliers should take steps to ensure that employment conditions meet the terms of the *Ethical Trading Initiative (ETI) Base Code*<sup>9</sup>, *Fair Labor Association (FLA) Workplace Code of Conduct*<sup>10</sup>, or *World Federation of the Sporting Goods Industry (WFSGI) Code of Conduct*<sup>11</sup> (“the Codes”) whichever is most directly applicable to the goods or services being supplied, or the legal, social, cultural or economic context in which the workers are employed or contracted.

Each of these Codes is based on ILO standards, and outline common minimum criteria on:

1. Recognised employment relationships
2. Forced labour
3. Freedom of association and the right to collective bargaining
4. Wages and compensation
5. Non discrimination
6. Child labour
7. Healthy and safety in the working environment

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<sup>8</sup> International Labour Organization (ILO). *International labour standard instruments on working conditions*. See: [http://www.ilo.org/travail/areasofwork/WCMS\\_145675/lang--en/index.htm](http://www.ilo.org/travail/areasofwork/WCMS_145675/lang--en/index.htm)

<sup>9</sup> Ethical Trading Initiative (ETI). *The ETI Base Code*. See: <http://www.ethicaltrade.org/sites/default/files/resources/ETI%20Base%20Code%2C%20English.pdf>

<sup>10</sup> Fair Labor Association (FLA). *FLA Workplace Code of Conduct*. See: <http://www.fairlabor.org/our-work/code-of-conduct>

<sup>11</sup> World Federation of the Sporting Goods Industry (WFSGI). *WFSGI Code of Conduct: Guiding Principles*. See: [http://www.wfsgi.org/images/downloads/related\\_topics\\_module\\_positions/WFSGI\\_Code\\_of\\_Conduct.pdf](http://www.wfsgi.org/images/downloads/related_topics_module_positions/WFSGI_Code_of_Conduct.pdf)

8. Working hours
9. Harassment or abuse

To deliver the Tokyo 2020 Games many of our suppliers may need to rely on labour performed by foreign or migrant workers, including in the construction, infrastructure, agriculture, nursing, hospitality and catering sectors. The working conditions criteria specified in the above Codes should apply equally to all workers wherever the work itself is performed. When work is performed within Japan, foreign workers (including through the Technical Internship Training Programme<sup>12</sup>) should enjoy no less protection than other workers, regardless of whether the employer is a large multinational, SME or private employment / recruitment agency, and irrespective of the industry in which they work.

In cases where our suppliers plan to use temporary or agency workers, whether these are Japanese nationals or foreign workers, any labour providers who supply the personnel should be properly licensed and be members of the International Confederation of Private Employment Services (CIETT); in Japan's case this is the Japanese Staffing Services Association<sup>13</sup>. Temporary and agency personnel should not be charged any fees for their recruitment or placement, should enjoy the protection of employment law; and should be provided with a written contract in language they can understand.

### 3.2. Health and Safety

As part of TOCOG's commitment to respect humanity outlined in our Human Rights Statement<sup>14</sup>, we require our suppliers to provide a positive, safe and hygienic work environment. Our suppliers should take steps to prevent accidents or hazards in the workplace, and should put in place appropriate system to report the accidents and incidents. TOCOG will not tolerate unsafe work practices.

Our suppliers are expected to comply with national health and safety laws and industry standards. In every case TOCOG requires our suppliers (and their sub-contracted business partners) to conduct regular health and safety training in languages that the workers understand, and to provide free personal protective and safety equipment appropriate to their industry, along with regular training in how to use it properly.

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<sup>12</sup> Japan International Training Cooperation Organization (JITCO). <http://www.jitco.or.jp/english/>

<sup>13</sup> Japan Staffing Service Association (JSSA). <http://www.jassa.jp/english/index.html>

<sup>14</sup> See CRT-Japan and IHRB submission: <http://crt-japan.jp/files2014/2-4-0-olympic2020/pdf/A%20Proposed%20Human%20Rights%20Statement%20for%20the%20Tokyo%202020%20Olympics%20EN.PDF>

### 3.3. Diversity and Inclusion

TOCOG celebrates diversity and strives to be socially inclusive. We require our suppliers to refrain from discrimination on any basis including on grounds of age, gender, gender-reassignment, sexuality, race or ethnicity, nationality, place of birth, religion or belief, physical or mental disability, marital status, or socio-economic background.

Our suppliers and their sub-contracted business partners should take all necessary steps to ensure compliance with these principles, including through equal job opportunities and fair and non-discriminatory recruitment practices; the introduction of provisions to combat sexual and other forms of harassment in the workplace; consulting with, and finding ways to respect, and facilitate, workers' religious observance.

Where applicable, our suppliers should also take proactive steps to deliver their goods and services in a manner that safeguards and accommodates the interests or special needs of particular groups, for example by meeting the dietary needs of specific religious groups, or by respecting the needs of sexual minorities, such as transgender people, for example, in the manner in which they carry out physical security searches at security points.

### 3.4. Carbon

TOCOG is committed to staging a "Carbon Neutral" Games.<sup>15</sup> According to the initial environmental assessment, the Carbon dioxide emissions of the Tokyo 2020 Games should not exceed 740,000 t-CO<sub>2</sub> (390,000 from staging, 350,000 from spectators and their accommodation). To achieve this goal of 740,000 t-CO<sub>2</sub> or less, our suppliers need to minimize their carbon dioxide emissions associated with production, transportation (please see 3.5 Transport for further details), sales, use and disposal or recycling of products, or/and service delivery activities. TOCOG and our suppliers should be transparent about from where electric power is sourced, giving preference to the least emitting sources of energy, such as renewable energy and natural gas. Guidelines for the specific products (equipment and facilities) may be elaborated separately, using as their model the Basic Policy on Promoting Green Purchasing<sup>16</sup>

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<sup>15</sup> The text for section 5.4 to 5.7 on Carbon, Transport, Waste / Resource, and Water are informed by *the Tokyo 2016 Environmental Guideline* referred to in *Tokyo's Candidature file*. We gratefully acknowledge that resource in helping develop this document. *The Tokyo 2016 Environmental Guideline* is aligned with *IOC's Guide to Sport, Environment and Sustainable Development* - See: <http://www.olympic.org/olympism-in-action/documents-reports-studies-publications-and-other-environmental-guidelines-set-by-tokyo>. *The Tokyo 2016 Environmental Guideline* consists of three parts: *minimising environmental impact, regenerating the urban environment through coexistence with nature, and developing sustainable society through sport*, and "provides a concrete roadmap to realise an environment first games as laid out by Tokyo". Tokyo Metropolitan Government. (2009). *The Tokyo 2016 Environmental Guideline*. (It is currently only available in Japanese, in printed version provided by Tokyo Metropolitan Government)

<sup>16</sup> Japan. (2014). *Basic Policy on Promoting Green Purchasing*. [Online]. See: <http://apki.net/wp-content/uploads/2014/09/Basic-Policy-on-Promoting-Green-Purchasing.pdf>

(national law) and the Tokyo Green Purchasing Guide, as applicable.<sup>17</sup> With the understanding that much of the CO2 emissions may occur further down the supply chain than our Tier 1 suppliers. TOCOG encourages consumers to take part in its carbon offset programmes on an individual level.

### 3.5. Transport

TOCOG aims to realise low carbon transport, where carbon emissions are kept to a minimum. To achieve this goal our suppliers need to optimise transport efficiency and/or minimise transport distances, use newly developed transport systems, such as the Intelligent Transport Systems (ITS), and Transportation Demand Management (TDM). In addition, our suppliers need to deliver and use vehicles that meet emissions gas criteria and/or fuel efficiency standards (to be elaborated separately) in Games venue areas when transporting equipment, plants, and people (staff/athletes/spectators).

### 3.6. Waste / Resources

TOCOG strives to promote a “5R” model throughout the Tokyo 2020 Games - reducing waste, promoting the reuse of materials, achieving high levels of recycling, recovering energy, and restoring natural habitats; including through reusing sports facilities where possible. To achieve this goal our suppliers need to reduce waste during production, in packaging, and resulting from the sale and use of their products and/or the delivery of services. In addition, where it is feasible, our suppliers and their sub-contracted business partners should maximise the use of secondary (recycled and reused) materials across all industries. They should also maximise the use of reusable products in service delivery (e.g. reusable plates, cups and glasses). Products will need to be delivered in accordance with these parameters, and be collected/stored, reused and recycled.

### 3.7. Water

TOCOG is committed to promoting the effective use of water. To achieve this goal our suppliers should strive for water efficiency throughout their supply chain (including across production, transport, sales, use, waste, recycling), and in their daily business management processes.

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<sup>17</sup> Tokyo Metropolitan Government. (2014). *The Tokyo Green purchasing guide*. [Online]. See: [http://www.kankyo.metro.tokyo.jp/policy\\_others/tokyo\\_green/](http://www.kankyo.metro.tokyo.jp/policy_others/tokyo_green/) (Available only in Japanese)

Where possible, systems of rain recycling and the recycling of waste water should be practiced across our suppliers operations.

### **3.8. Hazardous Substances**

Our suppliers should avoid using or supplying products whose manufacture, distribution or waste disposal process involves the use of materials or substances harmful to humans or the environment. A list of hazardous materials or substances that are restricted or prohibited will be published separately based on international standards, and related national laws.

### **3.9. Local Sourcing**

TOCOG is committed to a sustainable approach to our procurement that balances social, environmental, and economic considerations. From an economic perspective, we strive to ensure that to the greatest extent possible our procurement has a positive and lasting impact on local business development. Our suppliers are encouraged, where possible, to source materials locally, in order to deliver both on our low-carbon transport targets, and to support Japanese manufacturing and industry. Our suppliers are encouraged to support production processes in Japan, and to give employment opportunities to local workers, provided this is achieved on a non-discriminatory basis.

## **4. Grievance Mechanisms**

TOCOG recognises that complaints may arise in relation to implementation of this Code, and we are committed to putting in place a mechanism for the oversight and handling grievances. Our suppliers must also at a minimum communicate this Code to their workers; provide their workers with a system for communicating grievances that is free from discrimination or threat of reprisal; and should ensure their voices can be listened to as well as fully respected, concerns are addressed in a timely manner with root cause analysis, and reviews of communications made. Details of TOCOG's grievance mechanisms will be published in due course.

## 5. Management, communication, monitoring and evaluation<sup>18</sup>

TOCOG expects our suppliers, at a minimum to establish clear goals towards meeting the standards set forth in this Sustainable Sourcing Code, and to strive for continuous improvement. TOCOG expects our suppliers to put in place and maintain management systems that enable their compliance with this Code, and to demonstrate that they have taken steps to actively review, monitor and adjust their management processes and commercial operations to ensure they meet the terms set out in this Code in a transparent way.

The procurement process will encompass:

- Market engagement – including training sessions for our suppliers towards meeting the sustainability criteria;
- Establishing clear and transparent selection and exclusion criteria that take account of sustainability issues;
- Tenders that include appropriate sustainability scores, and which do not place onerous requirements on suppliers or unfairly disadvantage small to medium sized enterprises (SMEs);
- Award Criteria that are fair and transparent and enable a comparative assessment of tenders, including in relation to sustainability issues;
- Contract management and supplier monitoring – encompassing periodic audits, management plans to integrate performance targets, and use of corrective actions to remediate the situation.

To facilitate monitoring of progress and to prevent non-compliance, our suppliers must disclose all information where requested to do so by TOCOG, our representatives or auditors, including in relation to production venues or working conditions, and grant access to their premises transparently and openly.

We require our suppliers to communicate annually on their progress in relation to meeting the conditions of this Code.

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<sup>18</sup> Material in this section is informed by models established in the UN Supplier Code of Conduct and the Rio 2016 Sustainable Supply Chain Guide. See: [https://www.un.org/Depts/ptd/sites/www.un.org.Depts.ptd/files/files/attachment/page/2014/February%202014/conduct\\_english.pdf](https://www.un.org/Depts/ptd/sites/www.un.org.Depts.ptd/files/files/attachment/page/2014/February%202014/conduct_english.pdf) and [http://www.rio2016.com/sites/default/files/annex\\_4\\_-\\_sustainable\\_supply\\_chain\\_guide\\_english.pdf](http://www.rio2016.com/sites/default/files/annex_4_-_sustainable_supply_chain_guide_english.pdf)