

August 25th, 2015

Draft for Public Consultation, August 25– September 18 2015

Caux Round Table Japan (CRT-Japan) / Institute for Human Rights and Business (IHRB)

Invite comments on a

Draft Sustainable Sourcing Policy for the Tokyo Olympic and Paralympic Games in 2020

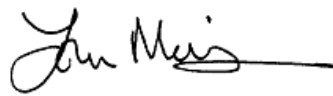
The Tokyo Olympic and Paralympic Games will be held from July to September 2020. Earlier this year a Group of Experts for a Sustainable Tokyo Olympic and Paralympic Games¹ published a survey *Sustainability Themes for the Tokyo Olympic and Paralympic Games in 2020*. The survey, which was open to public comment and which received comments from around the world, identified a number of key sustainability issues that the Tokyo Organising Committee of the Olympic and Paralympic Games (TOCOG) needs to address as it prepares to stage the Games.

Responding 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 a "Draft Sustainable Sourcing Policy for the Tokyo Olympic and Paralympic Games in 2020" on which we invite public comment. The final version of this statement will be submitted to TOCOG and we will encourage it to adopt the statement as its own. This follows an earlier public consultation for a Draft Human Rights Policy.²

All comments received during the public consultation will be considered by CRT-Japan and IHRB, who will submit a final version that represents a synthesis of views, to TOCOG along with the names of all persons who submitted comments.



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¹ For the Members of the Group of Experts for Sustainable Tokyo Olympic and Paralympic Games, please refer to: <http://crt-japan.jp/en/2015/03/30/invitationforpubliccomments-en/>

² This is a draft version, and will be finalised with a synthesis of comments collected during the consultation period. - See:

http://crt-japan.jp/files2014/2-4-0-olympic2020/pdf/Draft%20Human%20Rights%20Statement%20for%20the%20Tokyo%202020%20Olympic%20Games_EN_.pdf

Draft Sustainable Sourcing Policy for the Tokyo Olympic and Paralympic Games in 2020 Procedures for Submitting Comments

Please find below instructions on how to make a submission, as well as background on the two organisations that have drafted the proposed Sustainable Sourcing Policy for the Tokyo Olympic and Paralympic Games in 2020 which we will encourage TOCOG to adopt as its own.

1. Draft Document for comments

The document is available via the CRT-Japan website: <http://crt-japan.jp/en/>, and IHRB website: <http://www.ihrb.org/>

2. Process for Submissions

(1) Consultation Period and Deadline

Tuesday, August 25 to Friday, September 18, 2015. Submissions made after this deadline may not be considered and are at the discretion of CRT-Japan and IHRB.

(2) Submission Address

Please send your comments to CRT-Japan by e-mail yourcomments@crt-japan.jp as an attached document in Word format. Please kindly be advised that we are unable to accept comments by other methods (such as by telephone, fax or post).

(3) Email Procedures

Address to: CRT-Japan yourcomments@crt-japan.jp

Subject Header: Comments on Sustainable Sourcing Policy for the Tokyo Olympic and Paralympic Games in 2020 (draft)

Please include at the top of the body of the email your:

Affiliation, Name (Name of Organisation/Company, Department and Name), E-mail

Address & Telephone Number:

Please state clearly if you wish your submission to remain anonymous.

(4) Call for Comments

We welcome comments on any aspect of the Draft Sustainable Sourcing Policy. In particular, please state if there are any additional areas that you feel should be included. We would be grateful if you would provide an explanation for your suggestions, giving as much detail as possible.

Please organise your comments under the relevant headings used in the Draft Policy attached below, stating page numbers and paragraph positions where appropriate as these will enable us to process the information effectively.

(5) Enquiries

Tel: +81-3-5728-6365 Fax: +81-3-5728-6366 Email: yourcomments@crt-japan.jp

3. Management and Handling of Comments

All the comments submitted will be considered by CRT-Japan and IHRB in our final synthesis, but we cannot promise to reflect every viewpoint as there may repetition and possibly contradictory points of view. All organisations and individuals submitting comments on the draft statement will be recognised by name and affiliation and their contributions made available online unless they explicitly request to remain anonymous.

Addresses, telephone and fax numbers, and e-mail addresses will not be published. If the comments include private information, by which a particular individual can be identified, or any information deemed to damage the property rights or other basic rights of any individual or corporation, the relevant section of the text will be deleted at the time of publication. We are unable to respond to individual comments.

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* (<http://www.ihrb.org/publications/reports/striving-for-excellence-mega-sporting-events.html>) and in 2014 launched the learning web-platform, <http://www.megasportingevents.org>.

Draft Sustainable Sourcing Policy

for the Tokyo Olympic and Paralympic Games in 2020

(Version for Public Comment)

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"³ that ensures both environmental friendly sourcing, and has "international labour standards and domestic labour law taken into account".⁴

"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."⁵ 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 2020 Olympic and Paralympic 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 Policy supplements the Human Rights Statement⁶ and pertains directly to TOCOG's procurement practices.

³ 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

⁴ Tokyo. *Ibid*

⁵ 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>

⁶ 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/Draft%20Human%20Rights%20Statement%20>

2 Key Considerations

TOCOG applies a set of key considerations to guide our procurement for the Games⁷;

1. Where does it come from?
2. Who made it?
3. How is it produced, sold, used?
4. What will happen after it is used?

3 Scope of Application

TOCOG's Sourcing Policy applies to all organisations that provide us with the goods and services we require to stage the Tokyo 2020 Olympic and Paralympic Games, including our suppliers, licensees, and subcontractors.

To ensure consistency in sustainable procurement for all the sourcing activities associated with the 2020 Olympic and Paralympic Games, TOCOG will work with our delivery partners, including Tokyo's Metropolitan Government, the Japanese Olympic Committee (JOC), and the Japanese Government to promote alignment with this Sourcing Policy across the purchasing for the Games.

4 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 Rights⁸.

TOCOG's Sourcing Code encompasses guidance on nine issues in terms of driving the sustainability agenda for the Tokyo 2020 Olympics and Paralympics.

- Labour
- Health and Safety
- Diversity and Inclusion
- Carbon
- Transport

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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.

⁷ These core principles are informed by LOCOG's Sustainable Sourcing Code. We acknowledge that document as a valuable resource in the development of this Policy. See: <http://learninglegacy.independent.gov.uk/documents/pdfs/sustainability/cp-locog-sustainable-sourcing-code.pdf>

⁸ *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

- Waste / Resources
- Water
- Materials and Products
- Local Resources

As appropriate, we will require key information from our suppliers on the points addressed below in order to ensure effective monitoring of supplier performance.

5 Issues

5.1 Labour – Employment Conditions

TOCOG is committed to respecting the human rights of all persons involved in the delivery and staging the Tokyo 2020 Games, across the entire life cycle of the Games. To achieve this goal we require our suppliers to ensure that all employees and contracted workers enjoy employment conditions that comply with International Labour Organization (ILO) standards⁹ or domestic Japanese regulations (where work is performed in Japan), whichever afford the greatest protection.

At a minimum our suppliers should take steps to ensure that employment conditions meet the terms of the *Ethical Trading Initiative (ETI) Base Code*¹⁰, *Fair Labor Association Workplace Code of Conduct*¹¹, or *World Federation of the Sporting Goods Industry (WFSGI) Code of Conduct*¹² (“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 outlines 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

⁹ International Labour Organization (ILO). *International labour standard instruments on working conditions*. See:

http://www.ilo.org/travail/areasofwork/WCMS_145675/lang-en/index.htm

¹⁰ Ethical Trading Initiative (ETI). *The ETI Base Code*. See:

<http://www.ethicaltrade.org/sites/default/files/resources/ETI%20Base%20Code%2C%20English.pdf>

¹¹ Fair Labor Association (FLA). *FLA Workplace Code of Conduct*. See:

<http://www.fairlabor.org/our-work/code-of-conduct>

¹² 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

8. Working hours
9. Harassment or abuse

To deliver the Games many of our suppliers may need to rely on labour performed by foreign or migrant workers, notably 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 government's Industrial Trainee and Technical Internship Program (TITP)¹³) should be treated no less favourably than other workers.

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 Association¹⁴. Temporary and agency personnel should not be charged any fees for their recruitment or placement, and should enjoy the protection of employment law; they should be provided with a written contract.

5.2 Health and Safety

As part of TOCOG's commitment to respect humanity outlined in our Human Rights Statement, 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 to have appropriate reporting systems in place. 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 to conduct regular health and safety training in languages that workers understand, and to provide personal safety equipment appropriate to their industry.

5.3 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.

Where applicable, our suppliers should 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.

¹³ Japan International Training Cooperation Organization (JITCO). <http://www.jitco.or.jp/english/>

¹⁴ Japan Staffing Service Association (JSSA). <http://www.jassa.jp/english/index.html>

5.4 Carbon¹⁵

TOCOG is committed to staging a "Carbon Neutral" Games. According to the initial environmental assessment, the Carbon dioxide emission of the Games should not exceed 740,000 t-CO₂ (390,000 from staging, 350,000 from spectators and their accommodation). To achieve this goal of 740,000 t-CO₂ or less, our suppliers need to minimize their carbon dioxide emissions associated with production, transportation (please see Transport section for further details), sales, use and disposal or recycling of products, or/and service delivery activities. Guidelines for the specific products (equipment and facilities) will be elaborated separately, and will use as their model the Basic Policy on Promoting Green Purchasing¹⁶ (national law) and the Tokyo Green Purchasing Guide, as applicable.¹⁷

5.5 Transport

TOCOG aims to realise low carbon transport. To achieve this goal our suppliers need to optimise transport efficiency and/or minimise transport distances, use newly developed transport systems, the Intelligent Transport Systems (ITS), and Transportation Demand Management (TDM). In addition, our suppliers need to deliver and use vehicles, which 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).

5.6 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 habitat. 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 should maximise the use of secondary (recycled and reused) materials in construction and renovation for venues and related buildings. 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.

¹⁵ 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)

¹⁶ 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>

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

5.7 Water

Water is the source of life, and vital for energy and food. Attention to the food-energy-water Nexus¹⁸ is critical to achieving sustainable Games. 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. Where possible, systems of rain recycling and the recycling of waste water should be practiced across our suppliers operations.

5.8 Materials and Products

5.8.1 Ethical Materials and Products

Japan has developed high sustainable procurement standards in relation to environmental issues. TOCOG is eager to ensure that where applicable these standards are built upon to take account not only of environmental considerations, but also the affects of adverse environmental impacts upon people, their health and well being, and upon communities and small-scale businesses in Tokyo.

5.8.2 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.

5.9 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.

¹⁸ Wales, A. (2013) What is the Water-Food-Energy Nexus? *The Huffington Post UK*. [Online] 6th February. See: http://www.water-energy-food.org/en/news/view_1130/what-is-the-water-food-energy-nexus.html

6 Management, communication, monitoring and evaluation¹⁹

TOCOG expects our suppliers, at a minimum to establish clear goals towards meeting the standards set forth in this Sustainable Sourcing Policy, and to strive for continuous improvement. TOCOG expects our suppliers to put in place and maintain management systems that enable their compliance with this Policy, 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 Policy.

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

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

7 Grievance Mechanisms

TOCOG recognises that complaints may arise in relation to implementation of this Sourcing Policy, and will put in place a mechanism for oversight and handling grievances. Our suppliers must at a minimum communicate this policy to their workers; provide their workers with a system for communicating grievances that is free from discrimination or threat of reprisal; and should ensure concerns are addressed in a timely manner. Details of TOCOG's grievance mechanisms will be published in due course.

¹⁹ 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 and http://www.rio2016.com/sites/default/files/annex_4_-_sustainable_supply_chain_guide_english.pdf