



# Sustainable Sourcing, Grievance Mechanisms, and Human Rights at Mega-Sporting Events

## Meeting Report

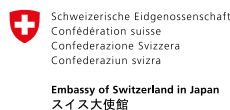
Tokyo, Japan, 13 September 2017



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### About the Institute for Human Rights and Business

Founded in 2009, IHRB is the leading international think tank on business and human rights. IHRB's mission is to shape policy, advance practice and strengthen accountability in order to make respect for human rights part of everyday business.

### About the Caux Round Table Japan

Caux Round Table (CRT) is a global network of business leaders working to realize a fair, free and transparent society through sustainable and socially responsible business. As a founding member of CRT, CRT Japan has been providing a unique service that helps companies implement CSR.

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# About this Report

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On September 13 (Wed.), 2017, IHRB on behalf of the Mega-Sporting Events Platform for Human Rights (MSE Platform) organised, with the support of the Swiss Government and together with Caux Round Table Japan, its first workshop in Japan, towards making respect for human rights a reality in the Tokyo Olympic and Paralympic Games. The workshop was attended by 76 persons from 41 organisations, including the International Olympic Committee (IOC), the Tokyo Organising Committee of the Olympic and Paralympic Games (TOCOG), the Olympics headquarters in the Cabinet Secretariat, and other related organisations of the Tokyo 2020 Olympic and Paralympic Games, sponsor companies, NGOs from Japan and abroad, athletes' organisations, Japanese Government organisations (the Ministry of Foreign Affairs, Ministry of Justice, and Ministry of Health, Labour and Welfare), and embassies in Japan (the U.S. Embassy and Embassy of Switzerland).

Towards the goal of making respect for human rights a reality in the Tokyo 2020 Olympic and Paralympic Games, the workshop aimed to identify, and share among the participants, key points and issues surrounding the implementation of sustainable sourcing policies and grievance mechanisms. The programme consisted of three parts: welcome and introduction by the organisers, lectures by persons from related organisations for London 2012 and Tokyo 2020 (TOCOG and the Cabinet Secretariat), and workshops on the three themes of "Mega-Sporting Events and Human Rights Risks", "Sustainable Sourcing Code", and "Grievance Mechanisms". The speakers and a summary of their lectures and comments in each of the sessions are shown below.

# Welcoming Remarks

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## John Morrison, Chief Executive of IHRB; Secretariat of the MSE Platform



Today is an important step internationally for Tokyo 2020, and we hope it will be the beginning of something of lasting value. The power of sport is more important than ever before in this world of many uncertainties. Sport has the power to unite the world's people, fight discrimination, and maintain a common view of humanity. It unites us, rather than divides us. Within the MSE Platform, sports bodies, governments, hosts, sponsors, broadcasters, trade unions, and NGOs come together to discuss and collaborate to make respect for human rights in mega-sporting events (MSEs) a reality. The four sports bodies within the MSE Platform (the IOC, FIFA, UEFA, and the Commonwealth Games Federation) have all made human rights commitments, and we are sure others will soon follow. We hope to discuss how collective action might support the implementation of TOCOG's sustainable sourcing code and grievance mechanism.

There is a tremendous opportunity for Japan to lead on human rights. Many Japanese companies have business management principles based on the value of corporate responsibility and international standards, including human rights. Such leadership of Japanese companies to implement such value in the Olympics would send an important message across Asia and the rest of the world that human rights in sport are both concrete and achievable. We hope that today is the start of an ongoing dialogue and partnership. Whilst 2020, which is three years from now, seems a long way off, it is not. Action now will prevent and mitigate possible negative impacts on human rights.

**“ Whilst 2020 seems a long way off, it is not; and implementation now will prevent and mitigate possible negative impacts to make the legacy of Tokyo 2020 as strong in human rights terms as it will be in sporting achievement.**

## Michelle Lemaître, Head of Sustainability, International Olympic Committee (IOC)



Olympism is based on a vision of human rights. This is reflected in the Olympic Charter's fundamental principles, our Code of Ethics, and mission of the IOC. Human rights values are part of the Olympic values, and human rights promotion is part of the IOC's DNA. In December last year, our Executive Board approved the IOC sustainability strategy, which clearly stated the IOC's three spheres of responsibility (IOC as an organisation, as the owner of the Olympic Games, and as the leader of the Olympic Movement) in five focus areas (infrastructure and natural sites, sourcing and resource management, mobility, workforce, and climate).

The focus areas that are most pertinent to today's discussion are "sourcing and resource management" and "workforce". "Workforce" addresses important aspects, such as the working conditions of employees, volunteers and contractors are safe and healthy, and that working conditions across supply chains comply with applicable local, regional, and national legislation and international agreements and protocols. "Sourcing and resource management" highlights the importance of managing valuable resources within their lifecycles and that the sourcing of products and services addresses not only the economic aspects, but also their environmental and social impacts.

The development and implementation of sustainable sourcing procedures by the local Organising Committees of Olympic Games (OCOG) and their delivery partners (sponsors, sourcing companies and countries, and all of the suppliers) is essential in staging successful Olympic Games. The IOC commends Tokyo 2020 for the work it has done in this area to date and fully supports today's dialogue to make respect for human rights a reality at Tokyo 2020.

**“ We truly believe that the Tokyo 2020 Olympic Games are an opportunity to create change and a strong and lasting legacy in this important area for many organisations in Tokyo and Japan. ”**

## Hironori Yano, Chairman, Caux Round Table Japan

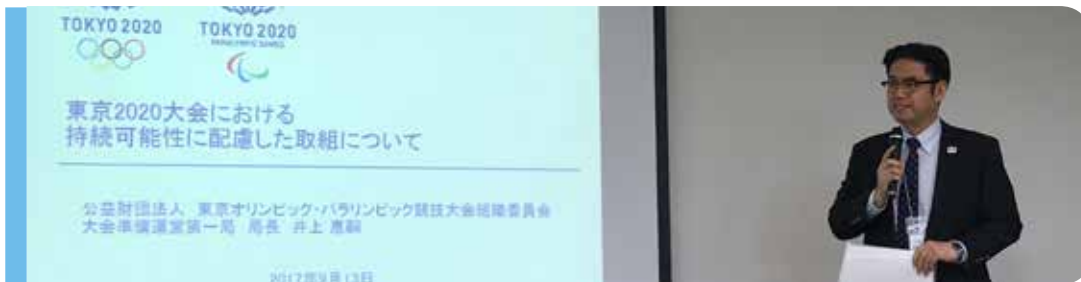


Through my experience as a corporate executive director, I have learned that “a good company”, one that is ethical and that respects each individual and serves society, is a prerequisite to being “a strong company”, capable of continuously posting appropriate levels of profit. Through the Olympics, I hope that companies will recognise the need to take human rights into account and aim to become “good companies” by understanding the relation their businesses have with the Olympics and Paralympics and human rights within the context of their entire supply chains.

**“ I hope that Japanese companies will make Tokyo 2020 an opportunity to take leadership positions in the world and set a trend to ensure that human rights are respected in business.**

# Perspectives from the Tokyo 2020 Organisers

## Keiji Inoue, Executive Director of Games Operation, TOCOG



With slightly more than 1,000 days remaining until the opening, we are drawing ever closer to Tokyo 2020. Reflecting the Games Vision in every aspect of management of the Games, we hope to make Tokyo 2020 the most innovative in history that will bring positive reform to the world. The “Legacy” contained in the Games Vision relates not only to sports, but also to many other fields. TOCOG has drawn up the Action & Legacy Plan to promote action in building this Legacy, and one of the pillars of the Action & Legacy Plan is “Sustainability”. Based on the Olympic Agenda 2020, which recommends “inclusion of sustainability”, TOCOG is developing the second version of our sustainability plan, which will contain concrete numerical targets.<sup>1</sup>

The Olympic and Paralympic Games have the “power to communicate”. The “Personal Best” in the Games Vision pertains not only to the athletes, but means that everyone, including the organisers, will aim to do their best in the landmark year of 2020. The Olympic and Paralympic Games are not only for the IOC, International Paralympic Committee (IPC), the Tokyo Metropolitan Government (TMG), and TOCOG to promote, but also require the participation of partner firms, related organisations, and the nation as a whole. We ask for your support, cooperation, and guidance.

“

***We believe that sustainable sourcing, built around human rights considerations, is an important challenge. We hope to ingrain human rights considerations through the formulation and implementation of our Sustainable Sourcing Code and achieve our sustainability goals with sponsor companies and sourcing companies. We hope that the Legacy will include the concept of sustainability taking root in the host country Japan.***

<sup>1</sup> See further, TOCOG, *Sustainability* (last accessed Mar. 2018) at: <https://tokyo2020.org/en/games/sustainability/>



## Mie Katsuno, Director, Secretariat of the Headquarters for the Tokyo 2020 Olympic and Paralympic Games, Cabinet Secretariat



The Organising Committee of Olympic Games (OCOG) is a non-permanent organisation for the management of the Games. To support TOCOG and other related organs, the national government has established a Special Measures Act for Tokyo 2020, instituted a headquarters with the Prime Minister as its head, and appointed a dedicated Minister. Related Ministries and Agencies are represented in the headquarters. The role of the Government includes general support as well as transportation, immigration control, and security. The Government also provides personnel to TOCOG. Our Secretariat is also a non-permanent organ and will exist until March 31, 2021 (the end of the 2020 fiscal year). As part of the Government's Basic Policy, the Government has established comprehensive national guidelines to accelerate efforts towards Tokyo 2020, monitors progress, and has made related national policies public. The Basic Policy contains statements related to human rights.

As for the Sustainable Sourcing Code, the Government participates as an observer in TOCOG's sourcing working group and gives advice. The information obtained from the working group is also shared with related ministries and agencies. After the first version of the Sustainable Sourcing Code was established, the Government hosted a number of briefing sessions on the Code in Tokyo and Hokkaido. The Code includes standards for specific products, and the Government is supporting efforts to obtain certification (GAP, etc.) required by the Code.

**“ As part of the Government's Basic Policy, the Government has established comprehensive national guidelines to accelerate efforts towards Tokyo 2020, monitors progress, and has made related national policies public. The Basic Policy contains statements related to human rights.**

# Perspectives from London 2012

## Shaun McCarthy, Former Chief Commissioner, Commission for Sustainable London 2012



The Organising Committee for the London 2012 Olympic and Paralympic Games' (LOCOG) sustainable supply chain standard was ground breaking at the time and used as a benchmark by Rio 2016 and Tokyo 2020 Olympics to set out clear requirements for the supply chain to comply with.<sup>2</sup> LOCOG made a great effort to assure their supply chain by requiring all suppliers to sign up to SEDEX and to require all suppliers to undertake an audit before commencing manufacture and supply. Despite these efforts, a report by the Playfair Alliance highlighted human rights abuses in toy factories that had been assured by LOCOG.<sup>3</sup> It was also found that an audit on the factories of a supplier of metal for the medals had not been performed when it should have been.

LOCOG's complaints mechanism was also a "first" and recognised as best practice. However, it was not well communicated to manufacturers or to the workforces. For products with short manufacturing lead times, the manufacture had finished by the time a complaint was investigated in some cases.

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- 2 London 2012 Learning Legacy, "LOCOG Sustainable Sourcing Code" (Dec 2012) at: <http://learninglegacy.independent.gov.uk/documents/pdfs/sustainability/cp-locog-sustainable-sourcing-code.pdf>; and "Managing compliance with labour Standards: findings and recommendations from an independent assessment of LOCOG's labour risk management systems" (Dec. 2012) at: <http://learninglegacy.independent.gov.uk/documents/pdfs/sustainability/rs-managing-compliance-with-labour-standards-final.pdf>
- 3 Playfair Alliance, "Toying with Workers' Rights: A Report on Producing Merchandise for the London 2012 Olympic Games" (Jan 2012) at: [https://www.ituc-csi.org/IMG/pdf/play\\_fair\\_en\\_final.pdf](https://www.ituc-csi.org/IMG/pdf/play_fair_en_final.pdf)

There are three key points that serve as lessons learned from the London 2012 Games: (1) LOCOG refused to require their suppliers to disclose manufacturing locations, claiming it was not in their commercial interest to do so and citing commercial confidentiality. Disclosure in practice was limited to the adidas Group, which voluntarily disclosed, though some other suppliers subsequently followed adidas's example; (2) Although there was an element of due diligence over suppliers, the same standards did not apply to major sponsors; and (3) The appointment of "sustainability partners" by LOCOG emerged as a commercial exercise. All sponsors had to do to be a "sustainability partner" was pay more money. Their credentials or their sustainability offering was not taken into consideration.

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***Sydney was the "green Games",  
London claimed to be "the most sustainable Games ever",  
Tokyo has the opportunity to be remembered as the Games that  
advanced the cause of human rights.***

## Steve Gibbons, Director, Ergon Associates



London, as a host city to the Olympic and Paralympic Games, had drawn up a sustainable sourcing code, but there was significant external pressure to do something more. Active stakeholder engagement was started in 2010, two years ahead of the Games, which led to the design of the complaints mechanism and a stakeholder review panel, allowing the complaints mechanism to be established ahead of the Games.<sup>4</sup>

There was a structured and quick response to all complaints, which went through the process of mediation, agreement on outcomes, and closing off of agreed outcomes. After the Games, we reviewed and published reflections on our experience of setting

4 London 2012 Learning Legacy "Establishing a Stakeholder Oversight Group to support a supply chain grievance mechanism" (Dec. 2012) at: <http://learninglegacy.independent.gov.uk/documents/pdfs/sustainability/cs-establishing-a-stakeholder-oversight-group.pdf>

up and managing the complaints mechanism at the London 2012 Games in the hope that our experience would be useful in other events.<sup>5</sup>

**“ There was significant work to “sell” the benefits of the complaints mechanism to key staff members of LOCOG to promote understanding about the mechanism within the organisation. The key staff members ranged from procurement to communications and legal departments and the leadership.**



5 London 2012 Learning Legacy, “Complaint and dispute resolution process to deal with breaches of the Sustainable Sourcing Code” (2013) at: <http://learninglegacy.independent.gov.uk/documents/pdfs/sustainability/cs-sustainable-sourcing-code-complaints-mechanism.pdf><http://learninglegacy.independent.gov.uk/publications/complaint-and-dispute-resolution-process-to-deal-with-br.php>

# Theme 1: Human Rights Risks in Preparing and Delivering MSEs

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In the first panel discussion, the human rights risks in the delivery of MSEs were the topic of discussion. Rémy Friedmann, Deputy Head of the Human Rights Policy Section of the Swiss Federal Department of Foreign Affairs, served as the facilitator. Speakers included: Hiromasa Nakai, Chief of Information and Public Affairs of Japan Committee for UNICEF; Apolinar Tolentino of Building & Woodworkers International (BWI); Haley St. Dennis, Communications Manager for IHRB; Minky Worden, Director of Global Initiatives of Human Rights Watch; and Kanae Doi, Japan Director at Human Rights Watch.

## Minky Worden, Director of Global Initiatives, Human Rights Watch



Ms Worden quoted a press release from the IOC as she explained that the new Host City Contract that will be applicable to the 2024 and 2028 Games reflects the IOC's strengthened stance in favour of human rights and against corruption.<sup>6</sup> This change is in response to human rights abuses that undermined the heart of the Olympic Charter: human dignity. It came about through a process of discussion with NGOs and human rights advocates over more than 10 years.

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6 IOC, "IOC Strengthens Its Stance In Favour Of Human Rights And Against Corruption In New Host City Contract" (Feb 2017) at: <https://www.olympic.org/news/ioc-strengthens-its-stance-in-favour-of-human-rights-and-against-corruption-in-new-host-city-contract>

Before 2024, there will be three major Asian Games: PyeongChang 2018, Tokyo 2020, and Beijing 2022. The Tokyo 2020 Games have no obligation to comply with the new standards but have the opportunity to do so. It will be good for TOCOG, the Japanese Government, and all partner companies to aim towards complying with the new standards. In particular, Worden encouraged putting in place a grievance mechanism that is usable and visible. It is not a loss of face when human rights abuses are exposed and dealt with, but rather a show of strength.

**“ We already know human rights abuses in China are bad and worsening, especially for workers’ rights, press freedom, and supply chain. Even monitors cannot work. So the challenge for Tokyo is this: to raise the bar. Raise it, and keep it high for human rights, workers’ rights, non-discrimination, and press freedom.**

## Kanae Doi, Japan Director, Human Rights Watch



Ms Doi raised the issue of migrant workers, and particularly of the technical intern training programme (TITP) in Japan, as a human rights issue that the world will be watching as Tokyo hosts the 2020 Games. The existence of recruiting agencies and the system that prohibits trainees from changing employers have resulted in human rights abuses, including low or unpaid wages, illegal overtime, dangerous working conditions, forced return, prohibitions on having cell phones, staying elsewhere overnight, and having romantic relationships, sexual abuses, confiscation of passports, payment of exorbitant fees to sending agencies, and forced payments of surety or penalties to sending agencies in case the training period does not finish successfully. There are also risks of human trafficking and forced labour. The pressure of having to pay large sums of fees to the sending agencies, the fear of deportation, and the system that generally prohibits trainees from changing employers are deterring trainees from making complaints.<sup>7</sup>

<sup>7</sup> See further, IHRB, “Learning Experience? Japan’s TITP and the Challenge of Protecting the Rights of Migrant Workers” (Oct. 2017) at: <https://www.ihrb.org/focus-areas/mega-sporting-events/japan-titp-migrant-workers-rights>

TOCOG's Sustainable Sourcing Code, although detailed and high level, has to address the challenge of how to guarantee effectiveness. As for the grievance mechanism currently under consideration, it will be good for TOCOG to accept recommendations from a wide range of people. Japan could show leadership by building a grievance mechanism that can address cases that are not necessarily related to sourcing, such as repression of civil society demonstrations (which was a challenge around the 2008 Beijing Olympics) and discrimination against LGBTI+ people (which was a challenge around the 2014 Sochi Olympics).

“ *Japan could show leadership by building a grievance mechanism that can address cases that are not necessarily related to sourcing, such as repression of civil society demonstrations and discrimination against LGBTI+ people.* ”

## Hiromasa Nakai, Chief of Information & Public Affairs, Japan Committee, UNICEF



Mr Nakai noted that TOCOG's Sustainable Sourcing Code has made reference to the United Nations Convention on the Rights of the Child (CRC) and to the Children's Rights and Business Principles (CRBP). The risks of adverse impacts on children's rights at MSEs include (1) disruption of work-life balance and its effect on families and children, (2) child prostitution that uses social media and text messages as "meeting points", and (3) abuses of teenage athletes and Olympians and of children aspiring to become like them, including abuse by coaches (including sexual abuse), pressure to meet expectations (and doping to meet expectations), and overexposure to media.

“ *Perhaps because of the word "child rights", in Japan there is a tendency to see them as different from "human rights", and maybe because of this, children's rights are by far still undervalued vis-à-vis the rights of adults.* ”

## Apolinar Tolentino, Regional Representative, Asia Pacific, Building & Woodworkers International



Mr Tolentino described BWI's campaign to promote and protect the rights of migrant workers employed to build FIFA World Cup facilities in Qatar and the lessons it offers for the Tokyo 2020 Games. The campaign, which is based on a memorandum of understanding (MOU) with the Supreme Committee for Delivery & Legacy (SCLD), involves (1) joint inspection of the construction sites and accommodation, (2) review of the occupational safety and health (OSH) policy standards for migrant workers, and (3) review of occupational safety and health (OSH) training. The objective of the joint inspection is to ensure compliance with standards through participation of BWI as a third party and to enhance the effectiveness of the grievance mechanism (Worker Welfare Programme). The inspection has shown that the grievance mechanism is being managed effectively, and it is recommended that such inspection be expanded to non-FIFA projects in Qatar.

In the context of the 2020 Tokyo Olympics, there are already reported cases of violation of workers' rights and trade union rights in contravention of the Sustainable Sourcing Code and the Sourcing Code for Timber. Specifically, there have been reports of violation of the rights to organise, a suicide of a construction worker employed for the construction of the new national Olympic stadium for Tokyo 2020 due to overwork from long working hours, and migrant workers subjected to occupational safety and health risks and other risks at the construction sites.



***The importance of third party monitoring, joint inspection, and multiparty agreements cannot be underestimated in order to set up an efficient grievance mechanism.***



## Haley St. Dennis, Communications Manager, IHRB



Ms St Dennis explained that sponsor companies and broadcasters have shared roles as major financiers of MSEs, and through that involvement, they can be linked to the human rights impacts of the MSE. Additional human rights risks face broadcasters, who play a functional role in MSEs, including the working conditions of the local staff as well as risks associated with broadcasting, such as the balance between “freedom of expression and censorship” and “privacy and the right to information”. Broadcasters are also often in a unique position of being able to tell the story of the context surrounding the MSE, but where there are restrictions on free press covering the event, it can mean they face pressure to comply with such restrictions.

Two task forces have been established with the MSE Platform to look at these issues. One is on sponsors composed of the AB InBev, adidas Group, The Coca-Cola Company, the International Organisation of Employers (IOE), and P&G. The other is on broadcasters composed of BT, Discovery, ITV, and Sky. The task forces have been working together to produce due diligence tools to help other sponsors and broadcasters of MSEs identify and address their human rights risks. Drafts of these new industry tools will be launched for consultation at the Sporting Chance Forum in Geneva in November 2017.

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***Sporting values of harmony among nations, solidarity, and fair play are what make MSEs so commercially attractive to sponsors and broadcasters, but also underline the importance of corporate partners managing the human rights risks of MSEs proactively.***

# Theme 2: Good Examples of Implementing Sustainable Strategies

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The second panel discussion focused on examples of sustainable practices. Hiroshi Ishida of Caux Round Table Japan served as the facilitator. Takeo Tanaka, Senior Director of Sustainability for TOCOG, gave an explanation of the Sustainable Sourcing Code for the Tokyo 2020 Games, followed by a presentation by Shaun McCarthy, the Former Chief Commissioner of the Oversight Commission for a Sustainable London 2012, on the Sourcing Code for the London 2012 Games. Chikako Miyata of ANA Holding Inc. described the approach used by ANA Group to identify human rights risks, and George Yoshimoto of ASICS Corporation gave a presentation on steps taken to enforce sourcing policies on contractors.

## Takeo Tanaka, Senior Director of Sustainability, TOCOG



Mr Tanaka outlined the process TOCOG used to develop its Sustainable Sourcing Code. The Organising Committee procures large quantities of products and services, and the supply chains of contractors extend to other parts of Asia and across the globe. Recognising the need to promote sourcing activities that take into consideration human rights and labour issues, TOCOG adopted the Sustainable Sourcing Code in March 2017.<sup>8</sup> In developing the Code, TOCOG held discussions in working groups

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<sup>8</sup> TOCOG, "Tokyo 2020 Olympic and Paralympic Games Sustainable Sourcing Code (1st edition)" (Mar. 2017) at: <https://tokyo2020.org/en/games/sustainability/data/sus-procurement-code.pdf>

composed of experts from various fields such as the environment, human rights, and CSR. TOCOG also listened to human rights organisations, environmental NGOs, related ministries, business organisations, and public comments in revising the draft.

The Code sets the standards and operation methods to ensure that TOCOG's procurement activities take into consideration sustainability issues, including legal compliance, environmental problems, human rights and labour issues, and fair business practices. By conducting our procurement activities based on the Code, TOCOG fulfils its social responsibilities as the organiser of the Games and encourages society at large to adopt an attitude that favours sustainability. The Code covers all products and services procured by TOCOG as well as licensed products.

The Code is broadly divided into "Common Components" and "Individual Standards for Core Products/Services". The Common Components set standards in five sustainability-related fields based on international agreements and codes of conduct. Contractors are required to comply with these standards throughout their supply chains. TOCOG will also lay down verification procedures and set up a grievance mechanism. The Individual Standards for Core Products/Services are standards for specific core products and services particularly pertinent to sustainability. Standards have been set for timber and agricultural, marine, and livestock products. TOCOG will further consider standards for paper and palm oil. In addition, an instruction guide will be prepared to ensure that the Code is implemented throughout the process of placement of orders, public announcement of tenders, bidding, and signing and execution of contracts.

The grievance mechanism will respond to reports of breach of the Code submitted to TOCOG, which will ascertain the facts and take steps to resolve the issue.<sup>9</sup> The aim is not to impose penalties on the breaching party, but to promote constructive dialogue among the parties and ameliorate the situation through agreement among the parties. A large part of the operation of the grievance mechanism is to be outsourced to external organisations. To support resolution of cases while ensuring neutrality and fairness, TOCOG plans to establish an advisory board consisting of experts in such fields as human rights, labour, and the environment.

**“ We believe that sports can contribute to creating a society in which human rights are respected, and we hope to pour our efforts towards this goal.**

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<sup>9</sup> TOCOG publicly consulted on an outline of the proposed grievance mechanism in November 2017. See further, TOCOG, "Outline of the Grievance Mechanism on the Sustainable Sourcing Code [provisional translation]" (Nov 2017) at: <https://tokyo2020.org/en/games/sustainability/data/grievance-mechanism-overview-EN.pdf>

## Shaun McCarthy, Former Chief Commissioner, Commission for a Sustainable London 2012



Mr McCarthy shared, in addition to his presentation in Part II, his experience at London 2012. For the London 2012 Games, the Oversight Commission was established as an official independent body charged with assuring the promise to deliver “The most sustainable Games ever”. It was established immediately after the bid was won in 2005 and continued until 2013, the year following London 2012. Mr McCarthy chaired the Commission throughout, reporting directly to the Olympic Board in London. The Oversight Commission had three primary functions: (1) Provide strategic assurance over all bodies responsible for venue construction, staging, transport, and legacy commitments; (2) provide strategic advice, as a “critical friend”, to senior executives of all delivery bodies; and (3) establish and maintain communication with stakeholders and the media to be trusted by all stakeholders and delivery bodies.

LOCOG developed a comprehensive Sourcing Code early and engaged key industry bodies to develop it. The level of commitment from companies to respect the Code varied. Many sponsors saw London 2012 as an opportunity to showcase their sustainability credentials. On the other hand, other top sponsors contracting with the IOC, and particularly those appointed by the IOC’s Olympic Broadcasting Service (OBS), did not feel they were obliged to comply with LOCOG requirements.

In terms of lessons learned with regard to communication, there was a general failure to communicate beyond the key merchandisers (i.e. secondary suppliers and beyond), resulting in most manufacturers (i.e. secondary suppliers and beyond) of merchandise being unaware of the existence of the Code or the complaints mechanism. Intervention by, and support from, trade unions was hampered by LOCOG’s refusal to require disclosure of manufacturing locations.

There were no carrots or sticks other than the “court of public opinion”, which was enhanced by the Oversight Commission’s role to actively promote communication with the public. This is because the Games are a “one off” project, so it is not usually possible to terminate contracts (stick) and look for alternative suppliers due to tight and immovable deadlines. Moreover, there is no possibility for incentivising

continuous improvement or offering to place repeat business (carrot).

Therefore, the key to success is (1) careful selection of suppliers, (2) providing education to suppliers (communication and education of the sourcing code), (3) managing performance, and (4) setting up an independent complaints mechanism.

The Oversight Commission was key to building a culture of “transparency”. Being truly independent, we were able to build trust with all stakeholders. Considering the time remaining until the Tokyo 2020 Games, it is probably too late for Tokyo to establish a similar organisation or carry out the same level of stakeholder engagement as in London. However, it is possible to (1) establish excellent due diligence procedures, (2) launch communication and education programmes for workforces, assurance, performance management, and (3) set up an independent complaints mechanism.

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***The Games are a “one off” project, so it is not usually possible to terminate contracts (stick) and look for alternative suppliers due to tight and immovable deadlines. Moreover, there is no possibility for incentivising continuous improvement or offering to place repeat business (carrot).***

## Chikako Miyata, Vice President, Corporate Brand and CSR, ANA Holding Inc.



Ms Miyata gave a presentation on the efforts of the ANA group to respect human rights, which were started in 2014 in recognition of the importance of human rights in various social settings. Noting that such efforts should be based on international guidelines, the company began by basing its action on the United Nations Guiding Principles on Business and Human Rights.

To gain internal understanding on how human rights are defined in accordance with internationally recognised standards, e-learning was launched in 2015 and the ANA

Group Policy on Human Rights was developed in 2016. The company's human rights due diligence process was set in place, which consists of procedures for Commit, Assess, Act, and Report. Country risk and business risk are assessed based on information from third-party organisations, and the ANA group's management systems are analysed for potential human rights risks. Major risks are further identified in consultation with external experts. The ANA group is currently addressing the identified risks and disclosing information about its efforts as outlined below.

First, the ANA group briefs contractors about its policy to ensure that appropriate working conditions are provided to non-Japanese workers employed by the contractors, and particularly contractors of ANA group companies, and conducts interviews, using third-party organisations, with non-Japanese workers. Second, the ANA group is evaluating the supply chains of products used in in-flight services. Third, the ANA group is promoting in-house education on bribery for the legal and other departments. Fourth, the ANA group is considering undertaking efforts to eliminate human trafficking through the use of air travel. The establishment of a grievance mechanism is a remaining challenge. The ANA group will continue to promote in-house education and information disclosure of the Group's policy and efforts and meet as many requirements as possible set down in the UN Guiding Principles. The Group will also implement TOCOG's Sustainable Sourcing Code.

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***The ANA group will continue to promote in-house education and information disclosure of the Group's policy and efforts and meet as many requirements as possible set down in the UN Guiding Principles.***

## George Yoshimoto, CSR Promotion Team Manager, Global Legal & Compliance Division, ASICS Corporation



Mr Yoshimoto highlighted “audit”, “capacity building”, and “self-assessment” in its approach to its suppliers.

“Audit” is conducted prior to and after signing of a contract to avoid contracting with factories that cannot meet our requirements. A business department considering transacting with a factory will provide information, as soon as possible, to the CSR department, which, in response, provides input about the country and if the factory has contracts with other brands. The business department will then visit the factory and submit to the CSR department three types of documents: a “factory visit checklist”, a “factory profile”, and a “third-party audit report”. The CSR department will analyse the reports and, if necessary, conduct a preliminary audit. If the risk is considered small, the factory is contracted to begin transactions. Our policy is similar to TOCOG’s Sustainable Sourcing Code but is more detailed. For instance, we prohibit employment of children under the age of 15 and weekly working hours of more than 60 hours. We also conduct annual audits after contracting. The audit results are assessed using a category of A to E. Factories with a rank of C and above can maintain their contracts, but must aim to attain the ranking of E as much as possible.

“Capacity building” is about education. In fiscal 2016, we provided education to 187 people from 111 companies. The purpose is to enable factories to make improvements on their own. Education is important in helping them understand what we require from factories.

“Self-assessment” is done on question sheets, which we send to the factories to fill out. Newly contracted factories tend to give themselves higher ratings than the actual situation, and on-site audits often reveal these shortcomings. We fill this gap by pointing out the differences between their response and audit results. The aim is to encourage factories to raise their standards.

“ ***We believe that by continuing to engage in these three areas of activity, we can implement TOCOG’s Sustainable Sourcing Code.*** ”



# Theme 3: Operational Grievance Mechanisms and Tokyo 2020

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The final panel discussion focused on key points and issues surrounding the implementation of a grievance mechanism for the Tokyo 2020 Games. Speakers included: Steve Gibbons of Ergon Associates; Shoya Yoshida, General Secretary of the International Trade Union Confederation (ITUC) Asia Pacific; Kenichi Masamoto, Director of OECD Division of the Economic Affairs Bureau of the Ministry of Foreign Affairs; Miho Okada, Director of Caux Round Table Japan; Takuya Yamazaki, Executive Committee Member of the World Players Association; Michiko Kouno, Section Chief of the Equal Employment Opportunity Division of the Employment Environment and Equal Employment Opportunity Bureau of the Ministry of Health, Labour and Welfare alongside Atsushi Yoshida, Section Chief of the Inspection Division of the Labour Standards Bureau of the Ministry of Health, Labour and Welfare William Rook of the Institute for Human Rights and Business (IHRB) served as the facilitator.

## Steve Gibbons, Director, Ergon Associates



Mr Gibbons described Ergon's experience (contracted by LOCOG to set up a grievance mechanism) of managing the London 2012 grievance mechanism. LOCOG anticipated that there would be complaints about a range of rights issues arising in relation to the preparation and management of the Games, and also knew the importance of having a means to respond to those complaints in a way that was rights compatible. LOCOG had direct contact with trade unions and NGOs from an early stage. There was openness in the LOCOG and commercial partners to experiment with a grievance mechanism.



It was the first attempt to establish and manage a grievance mechanism at a MSE. The work on developing the mechanism started before the UN Guiding Principles on Business and Human Rights were adopted in 2011.

The types of complaints LOCOG received through the mechanism were wide-ranging and included those related to working conditions in factories in Indonesia, freedom of association in footwear factories in the Philippines, complaints from young workers in toy factories in China, complaints related to trade union rights in metals manufacture in Canada, and complaints from workers of souvenir production in China. Many complaints came via international trade unions, NGOs, and the media.

As for lessons learned in London, I would like to point to the following: (1) Importance of stakeholder engagement and oversight, (2) getting commercial partner buy-in from sponsors, suppliers, and licensees, (3) anticipating likely complaints, (4) engaging with national law and government, (5) speedy and appropriate response to complaints, (6) “stick” and enforcement is very difficult in mediating outcomes, (7) thinking beyond the end of the event, (8) promoting transparency and openness, (9) working to support mature industrial relations, (10) securing cultural appropriateness in the mechanism, (11) looking to work already happening and best practices in developing mechanisms, and (12) seeing the positive reasons for developing the mechanism.

“ *LOCOG anticipated that there would be complaints about a range of rights issues arising in relation to the preparation and management of the Games, and also knew the importance of having a means to respond to those complaints in a way that was rights compatible.* ”

## Shoya Yoshida, General Secretary, International Trade Union Confederation Asia Pacific



Mr Yoshida remarked on the UN Guiding Principles on Business and Human Rights and

the discussions on supply chains at the G7 Summit 2015 and G20, and observed that there are growing moves to “monitor” corporate activities. There are two reasons for this: (1) companies do not know what is happening in their supply chains (even though technological innovation has promoted division of business and accelerated the speed of business, incidents do not become visible) and (2) reliance solely on corporate compliance increases risk for society. Chairman Yano spoke about good and strong companies, but companies in the world are not all good companies. Some companies and governments want to have lenient environmental and labour standards. All the more reason why we need a grievance mechanism.

I would encourage the use of industrial relations in the establishment and management of a grievance mechanism for two reasons: (1) labour unions represent employees who are working inside the companies and are independent from the management (i.e. their independence is guaranteed) and (2) the use of industrial relations will reduce the cost of establishing and managing a grievance mechanism. Labour unions are good at spotting shortcomings of companies and are always on the lookout. You can rely on labour unions to know what is happening in the supply chains. ITUC represents 180 million workers in 151 countries and regions. Through collaboration between ITUC and BWI, it will be possible to set up an effective grievance mechanism at low cost. By following the example set by London, I hope that TOCOG will establish its grievance mechanism through the participation of labour unions and other stakeholders.



***By following the example set by London, I hope that TOCOG will establish its grievance mechanism through the participation of labour unions and other stakeholders.***

## Kenichi Masamoto, Director, OECD Division, Economic Affairs Bureau, Japanese Ministry of Foreign Affairs



Kenichi Masamoto provided an explanation on the OECD Guidelines for Multinational

Enterprises and the Japanese National Contact Point (NCP). The OECD Guidelines for Multinational Enterprises are a set of recommendations for multinational enterprises in 48 participating countries to voluntarily adopt responsible business conduct. Multinational enterprises are responsible for “promoting positive contributions to economic, environmental and social progress” and “avoiding causing or contributing to adverse impacts through their own activities, and addressing such impacts when they occur”. To further the implementation of the OECD Guidelines and provide assistance in resolving practical issues, each participating country establishes a National Contact Point (NCP) as a liaison office.

The Guidelines set down recommendations for responsible business conduct in the areas of “disclosure”, “human rights”, “employment and industrial relations”, among others. OECD Due Diligence Guidance has also been prepared for specific industries, such as minerals from conflict-affected areas, the extractive sector, and the garment sector, and for specific stakeholders, such as institutional investors. Due Diligence Guidance applicable across all business sectors is currently being drafted. These guidelines and guidance are available from the OECD website.

The Japanese NCP was established in 2000, consisting of the Ministry of Foreign Affairs, Ministry of Health, Labour and Welfare, and Ministry of Economy, Trade and Industry. In addition, an advisory board composed of members from the Japanese Trade Union Confederation (RENGO) and Japan Business Federation (KEIDANREN) has been set up to promote implementation of the OECD Guidelines. Specifically, the Japanese NCP is involved in publicity and education and in responding to specific cases. When an issue is raised against a Japanese company, the Japanese NCP collects information from the multinational, offers mediation, and provides documentation. In these instances, the information is collected through embassies. The Japanese NCP also works with stakeholders and promotes information sharing and peer review through its participation in OECD’s Working Party on Responsible Business Conduct. When an issue arises in relation to the OECD Guidelines, the Japanese NCP accepts the case, listens to the parties, collects information, conducts a preliminary assessment, and, if necessary, provides mediation. Even if the process comes to a conclusion without an agreement between the parties, the Japanese NCP, in principle, publishes a report containing the name of the company involved.

Many of the cases filed are related to the issue of “employment and industrial relations”. Cases related to “due diligence” and “human rights” are also increasing in recent years. The largest number of cases raised has been in the manufacturing sector, followed by mining and quarrying, and finance. The Japanese NCP has dealt with nine cases so far, of which four are still pending. Two of the cases are related to the activities in Japan of third-country multinational firms, and seven are related to the activities outside Japan of Japanese multinationals. Most of these cases are related to “employment and industrial relations”.

In relation to Tokyo 2020, attention will be focused on the aspects of employment, industrial relations, and human rights of multinationals involved with the Games. Against the backdrop of a growing interest in the social aspects of corporations, the Japanese NCP will continue to work towards implementation of the OECD Guidelines and, if a case is raised with the Japanese NCP, to assist in the resolution of the issue through prescribed procedures.



***In relation to Tokyo 2020, attention will be focused on the aspects of employment, industrial relations, and human rights of multinationals involved with the Games.***

## Miho Okada, Director, Caux Round Table Japan



Ms Okada expressed concern that even if TOCOG sends the received complaint to the company involved, the situation could deteriorate further unless that company decides to respond and take action promptly. TOCOG as well as companies need to gain knowledge about effective remedy and establish the grievance mechanism.

The establishment and effective operation of such a mechanism should take into consideration the following five points: (1) Understanding human rights considerations: TOCOG and companies need to know that human rights issues are not just limited to sexual and power harassment and discrimination against outcast communities in Japan and that they should comply with internationally recognised human rights standards; (2) Resources: resources should be provided to set up policies, systems, and processes to enable response to complaints; (3) Scope: complaints from a wide range of stakeholders should be covered, including employed workers as well as all workers in the supply chains and members of local communities; (4) Information Disclosure/Transparency: Efforts should be made to develop a positive attitude towards disclosure (it is difficult to conceal information in this age); and (5) Open to utilise external systems: TOCOG and companies should consider combining existing in-house mechanisms, external mechanisms, and judicial mechanisms. Grievance mechanisms need not be seen in a negative light. If used effectively, it offers the advantage of identifying complaints (human rights risks) early and the opportunity to nip them in the bud with minimal resources before they develop into a major issue.

As for TOCOG specifically, it is a transient organisation with a life of seven years, and there are only three years remaining until the opening of the Games. They will urgently need to conduct gap analysis of what is and what is not possible by studying existing

systems outside of their organisation and consolidating existing wisdom. They could seek cooperation with existing systems and resources, including the Japanese NCP, the Ministry of Health, Labour and Welfare's labour dispute resolution mechanism, the International Trade Union Confederation (ITUC)'s mechanism for protecting the rights of workers, consultation by public consultants on social and labour insurance (available on Sundays and outside business hours), multilingual mediators and arbitrators affiliated with overseas organisations, and publicity activities on grievance mechanisms and the Sustainable Sourcing Code, targeted at subsidiaries and suppliers particularly of Japanese companies operating abroad, working in partnership with the Ministry of Foreign Affairs and Japanese embassies abroad. A wide variety of organisations from Japan and abroad are participating in this workshop. If TOCOG takes leadership by making clear its requirements and expectations, it is very likely that others will offer their wisdom and networks and that an effective grievance mechanism can be set up.

**“ While the UK is good at “innovation” to create new frameworks, Japan is good at “kaizen” of making continuous improvement of the contents of existing frameworks. It will be good if the grievance mechanism borne from the London 2012 Games can be further improved in Japan, particularly around human rights, leaving a legacy through collaboration between the two countries.**

## Takuya Yamazaki, Executive Committee Member, World Players Association



Mr Yamazaki explained the meaning of concretising the value of business and human rights on the platform of sports and how the system of enforcement on the platform of sports can enhance corporate branding and promotion efforts. It is important that the grievance mechanism not only covers the human rights issues included in the Sustainable Sourcing Code, but also set high standards for other types of human rights issued not covered by the Code. TOCOG should include in its grievance mechanism opportunities to address complaints that are not necessarily related to the Sustainable Sourcing Code.

Sports have a strong system of enforcement. For example, decisions of FIFA's Dispute Resolution Chamber (DRC) are enforceable around the world. FIFA has the power to execute their rules around the world. Violations face powerful sanctions such as deduction of points and deregistration. Such a strong system of enforcement, not seen in other industries, is probably only possible in the context of sports.

It will be substantially more effective for a company to work on ensuring respect for human rights within the context of sports, which have significant promotional value, than for a company to work on the same issue outside such a context. There is a considerable difference between working on business and human rights because "we might be censured if we didn't" and working on such issues because "it has sponsorship value and helps to increase our commercial value". What is essentially required of companies is their commitment to work on human rights issues and not necessarily a expectation to completely eliminate human rights issues altogether.

In May this year, FIFA published its Human Rights Policy, which covers the rights of athletes. It is an important achievement for us. The Policy contains concrete commitments to human rights and also mentions remedies. More importantly, it is clearly stated that "FIFA will commit to high standards" and that its commitments are "binding on all FIFA bodies" (meaning that it will protect human rights not only in the World Cup but also in every aspect of FIFA and football). These commitments have a positive impact on the FIFA brand and allow us stakeholders to put trust in FIFA.

The scope of the TOCOG grievance mechanism should obviously include human rights issues related to the Sustainable Sourcing Code. One of the challenges will be to decide how to deal with complaints that are not directly related to the Sustainable Sourcing Code.

**“ What is important is not to delineate the scope of activities but to show the Olympics as a “trusted brand”. I think that announcing that the grievance mechanism will deal with complaints that are not necessarily related to the Sustainable Sourcing Code is a decision that will have close bearing on the very nature of TOCOG’s activities.**

# Conclusion



John Morrison of the Institute for Human Rights and Business (IHRB) closed the day's discussions by emphasising the following three points: (i) The need for routes to remedy: although some means exist, there is a need for a wider range of remedies; (ii) The need to view remedy as a means for dialogue and wider stakeholder engagement; and (iii) Disclosure and the challenge of creating a culture of transparency.

Hiroshi Ishida of Caux Round Table Japan concluded the workshop by noting the great progress made in recent years in terms of the growing social interest and understanding on "business and human rights" and on the relation between "MSE and human rights", and called upon the participants for continued collaboration, support, and engagement.

## A Note of Thanks

We would like to thank all of you who participated in the workshop. We would also like to take this opportunity to thank the Embassy of Switzerland for supporting this event and Keidanren's All Japan Business Committee for cooperating with us in the publicity of the event.

The organisers believe that your wisdom and the network created through the workshop are indispensable for making respect for human rights a reality at the Tokyo 2020 Games. The workshop is but the first step in our discussions. Although the time remaining until 2020 is short, we sincerely hope that our forum for discussion will continue in the future and that through such a forum, the initiative and leadership of the organisers towards making respect for human rights a reality in Tokyo 2020 will be further strengthened and the network of supporting organisations and sponsor companies will also be reinforced.

John Morrison  
Chief Executive, IHRB  
Secretariat, MSE Platform

Hiroshi Ishida  
Executive Director  
Caux Round Table Japan



On September 13, 2017, IHRB on behalf of the Mega-Sporting Events Platform for Human Rights organised, with the support of the Swiss Government and together with Caux Round Table Japan, its first workshop in Japan, towards making respect for human rights a reality in the Tokyo 2020 Olympic and Paralympic Games. The workshop was attended by 76 persons from 41 organisations, including the International Olympic Committee, the Tokyo 2020 Organising Committee of the Olympic and Paralympic Games, the Olympics headquarters in the Cabinet Secretariat, and other related organisations of the Tokyo 2020 Olympic and Paralympic Games, sponsor companies, NGOs from Japan and abroad, athletes' organisations, the Japanese Ministry of Foreign Affairs, Ministry of Justice, and Ministry of Health, Labour and Welfare, as well as U.S. and Swiss Embassies in Japan.

The workshop aimed to identify, and share among the participants, key points and issues surrounding the implementation of sustainable sourcing policies and grievance mechanisms in relation to mega-sporting events.

