



INTERNATIONAL
OLYMPIC
COMMITTEE

SUSTAINABILITY ESSENTIALS

A SERIES OF PRACTICAL GUIDES
FOR THE OLYMPIC MOVEMENT

SUSTAINABLE SOURCING IN SPORT



SUSTAINABILITY ESSENTIALS

Sustainability is one of the most pressing challenges of our time across a wide spectrum of social, environmental and economic matters. Major issues such as climate change, economic inequality and social injustice are affecting people throughout the world. These are also pressing concerns for the sports community, both for managing its day-to-day affairs and for its responsibilities towards young people and future generations. We also recognise that sport has an unrivalled capacity to motivate and inspire large numbers of people. This is why we believe that the Olympic Movement has both a duty and an opportunity to contribute actively to global sustainability in line with our vision: “Building a better world through sport”.

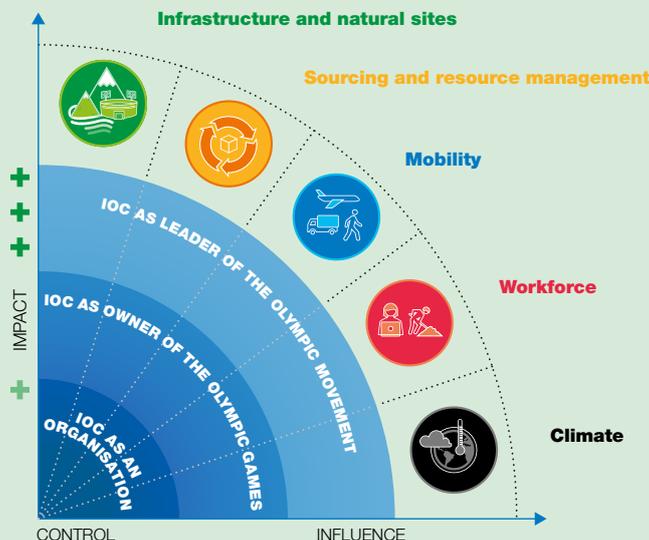
It is therefore logical that sustainability forms one of the key elements of Olympic Agenda 2020, the Olympic Movement’s strategic roadmap adopted in December 2014. In particular, this defined our approach to

sustainability across the IOC’s three spheres of responsibility:

- **The IOC as an organisation:** To embrace sustainability principles and to include sustainability in its day-to-day operations.
- **The IOC as owner of the Olympic Games:** To take a proactive and leadership role on sustainability and ensure that it is included in all aspects of the planning and staging of the Olympic Games.
- **The IOC as leader of the Olympic Movement:** To engage and assist Olympic Movement stakeholders in integrating sustainability within their own organisations and operations.

Following on from Olympic Agenda 2020, we issued the IOC Sustainability Strategy in January 2017. The Strategy is based on our three spheres of responsibility and five focus areas, as illustrated below.

The IOC Sustainability Strategy framework is illustrated below:





The Strategy sets out a number of actions in our capacity as leader of the Olympic Movement. Among these is a commitment to develop common guidelines, methodologies and tools for National Olympic Committees (NOCs) and International Federations (IFs).

Further information can be found at <https://www.olympic.org/sustainability>.

The “Sustainability Essentials” series of guides is the first concrete outcome of this commitment. These guides aim to provide simple, practical and essential information on key aspects of sustainability for NOCs and IFs to be better able to navigate the complexities of this subject and develop effective sustainability programmes. Whether your organisation is just starting out, or is already actively engaged in sustainability, we hope these guides will provide a valuable overview and reference point for this important topic.

FEEDBACK

We hope that our “Sustainability Essentials” guides will provide a valuable basis for understanding sustainability. We also know that sustainability is a constantly evolving discipline, with new issues, challenges and opportunities always needing to be addressed. We therefore welcome feedback, comments and suggestions so that we can continually improve our guidance and ensure our material is as fresh, relevant and accurate as possible. If you have any comments, please contact us in any language at: sustainability@olympic.org

PRINTING

This document is available only as a downloadable pdf file from the IOC website. If you need to print a copy, please set your printer to double-sided copying on recycled paper. Ideally, please also avoid colour printing and copying.



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SUSTAINABLE SOURCING IN BRIEF

One of the most effective ways for your organisation to put sustainability into practice is through your sourcing processes. Your direct and indirect impacts on the environment and on people, communities and businesses largely stem from the goods and services you decide to buy, rent, or license. Your decisions on how to spend your money are where you generally have the greatest control and influence.

Sustainable sourcing covers a wide range of aspects, which we examine in detail in this Guide. As a starting point, however, when sourcing goods and services consider the following five essential questions to ask (see next page):



WHAT IS REQUIRED?

This is about understanding how your impact on society can be reduced by doing more with less, such as questioning if a purchase is really needed or whether it could be done in a different way such as challenging excessive specifications, renting an item or buying a service instead of a product.

WHERE DOES IT COME FROM AND WHO MADE IT?

We live in an increasingly globalised society. Many of the products we enjoy in everyday life have been sourced and produced in locations from all over the world. The production of products or delivery of services can have damaging human rights or environmental impacts. For example, what are the working conditions in the factories where the product was made or adopted by a provider of services? Labour standards are a hugely important issue these days, and high-profile entities like sports bodies and sports event organisers can be under considerable scrutiny from campaign groups and the media.

WHAT IS IT MADE OF?

This is about ensuring that products have minimal negative or positive impact on human health and the environment. It is good to give preference to products containing recycled materials and which are recyclable. Those containing or using toxic or polluting substances should be avoided. Equipment should be efficient in use, notably with regard to energy, water and consumables (e.g. paper, ink, lubricants, etc.), and low noise and vibration.

WHAT IS IT WRAPPED IN?

Packaging is a major issue in terms of waste management and resource use. Aim to optimise packaging wherever possible and emphasise the need for recycled and recyclable materials to be used in any packaging that is required. Suppliers should take responsibility for taking back and reusing or recycling their own packaging, but this doesn't happen automatically and should be specified in the contract.

WHAT WILL HAPPEN TO IT AFTERWARDS?

The responsible disposal of goods and materials after their initial use is a key concern. If this is not considered at the beginning (i.e. when specifying requirements in tender documents), there can be a lot of unexpected costs in storage and disposal. Can goods be returned, donated, reused, recycled or otherwise reprocessed into something useful? By extending the useful life of goods and materials beyond their initial use you would be contributing to the "circular economy", a rapidly growing discipline within the world of sustainability.



1

INTRODUCTION



INTRODUCTION

ABOUT THIS GUIDE

This Guide is intended to help organisations within the Olympic Movement and the wider sports sector to adopt more sustainable sourcing practices. The choices your organisation makes in the sourcing of goods and services will be fundamental to how you address sustainability as a whole. This is because most of the direct and indirect impacts you have on the environment, people, communities and businesses will stem from how you spend your money. Every item or project ultimately has a price and has to be paid for. How you decide which goods and services you want is ultimately under your control.

In this Guide we prefer the term “sourcing”, as this conveys a broader sense of how goods and services may be acquired than the term “procurement”. In the world of sport in particular, many goods and services are supplied through sponsorship and licensing deals, which go beyond the classic sense of purchasing through suppliers.

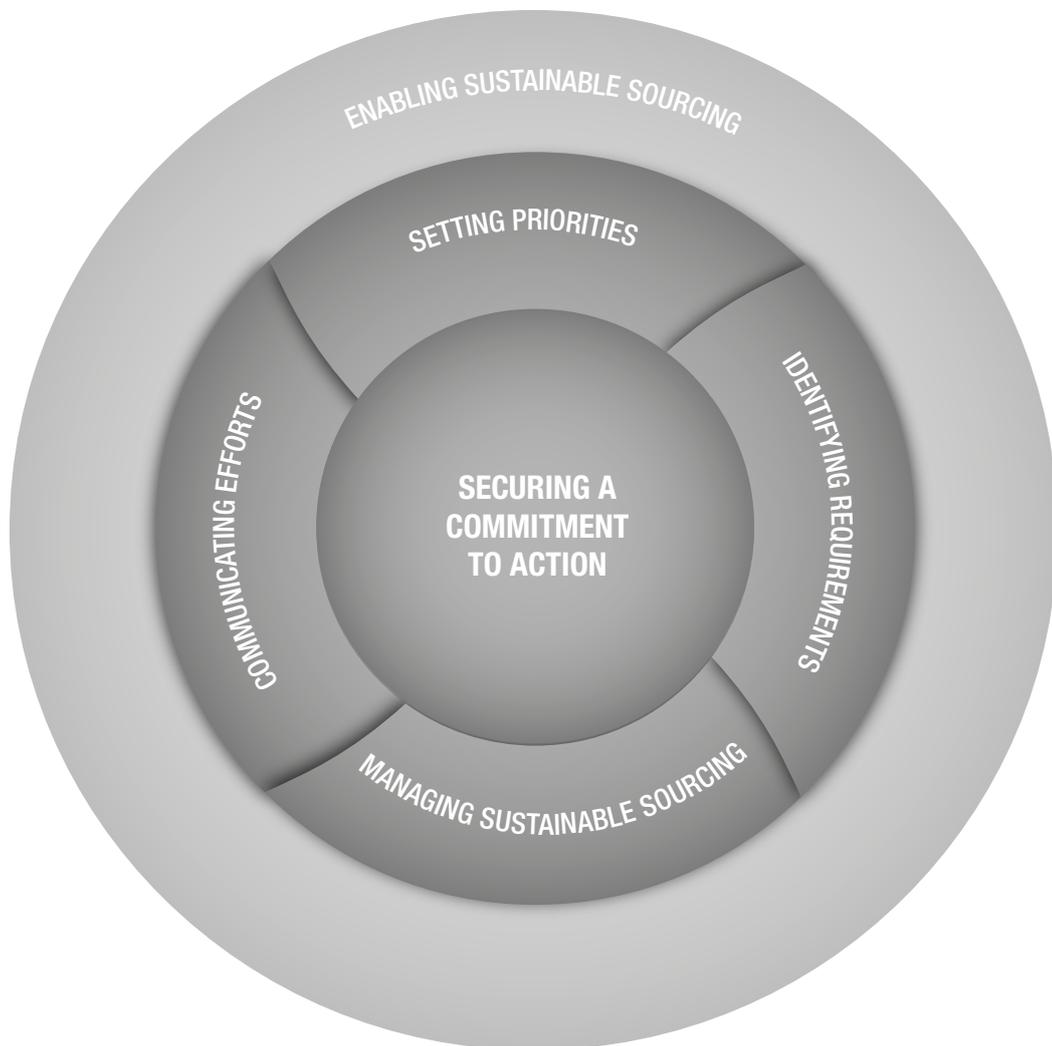
Although this Guide is presented as a stand-alone document, we recommend it is read in conjunction with the first of the “Sustainability Essentials” guides: “Introduction to Sustainability”. This will enable you to see how sourcing fits into the wider picture of sustainability in practice.

If your organisation is just starting out on a sustainability path, it is best to read this document in the sequence it is presented, so you can build up your approach in a logical order. For those at a more advanced level, this is intended as a useful reference guide and you may choose to focus on those sections you consider most relevant in your circumstances.

We fully recognise that your circumstances will be influenced by local culture, geography, legislative context and the economic situation. However, by structuring this Guide according to the following three areas as presented in the diagram below, we hope this will provide you with a logical pathway to achieving more sustainable sourcing, while allowing a degree of flexibility.

1. In ‘Securing a Commitment to Action’, the Guide starts with outlining a fundamental part of the process which is to secure the buy-in of top management and understand how sustainable sourcing will support your organisation’s core business strategy.
2. The next four sections set out the core steps that should be followed to develop and implement a robust sustainable sourcing programme starting with ‘Setting Sustainable Sourcing Priorities’, establishing sustainability requirements for these priorities ‘Identifying Sustainable Sourcing Requirements’, through to taking these requirements forwards ‘Managing Sustainable Sourcing’ and ‘Communicating Sustainable Sourcing Efforts’.
3. In ‘Enabling Sustainable Sourcing’, the Guide outlines key factors that will support the sustainable sourcing activity and help set your organisation up for success.

This Guide is intended to be applicable to both public and private sector organisations. Some territories have legislation which sets out public sector procurement requirements and what can be considered throughout the prequalification, tender and contracting process (e.g. EU Public Procurement Directives). For public sector sports organisations, this Guide is likely to be useful but should be read in conjunction with the latest legislation. It is also advisable that proper legal advice always be sought.



In each section, we have highlighted key actions according to three levels of progress:

- **Basic level** – a meaningful start to sustainable sourcing with a commitment to improve
- **Intermediate level** – meeting the fundamentals of sustainable sourcing
- **Advanced level** – going beyond the fundamentals of sustainable sourcing and demonstrating leadership in action



WHAT IS SUSTAINABLE SOURCING?

Sourcing is the process by which goods and services are identified and then bought or acquired from suppliers, licensees or partners. To do this more sustainably means satisfying your organisational needs in a way that will also result in positive social, environmental, ethical and economic outcomes.

Examples of some of the key considerations in sustainable sourcing include:

- How the organisation can reduce its impact on society by doing more with less, such as questioning if a purchase is really needed or could be done in a different way – such as challenging excessive specifications, renting an item or buying a service instead of a product;
- How items are made and sourced, what they are made from, their lifetime use and eventual disposal;
- How items will be delivered as efficiently as possible with optimal use of packaging which can be reused or recycled;
- How people in supply chain communities will be treated and ensuring human rights are upheld and respected; and
- How the sourcing process itself is managed in a fair and transparent way to avoid issues of bribery and corruption.

You need to be confident in the quality of the goods or services you are buying, so that you get what you require. At the same time, you need to consider if there are any health and safety issues or other risks to be mindful of, such as potential reputation risk. It is also worth checking that you need the goods or services in the first place – in the world of sports events it can be quite common to buy items that are either unnecessary or in too-vast quantities, leading to additional cost and waste.

What is especially important is that these key questions form part of the sourcing process (e.g. reflected in the tender specification and evaluation). In this way, you can make more informed choices that appreciate “whole life”¹ costs rather than take a limited view on purchase only. Ultimately, by sourcing more sustainably the aim is to create value while in no way undermining – and ideally increasing – the possibility that people and other life will flourish.

The concept of sourcing more sustainably is not new. Many businesses and sectors have been focusing on environmental and social issues in supply chains for several decades now. This includes some excellent examples within the sport and event sectors, although this is still a relatively new approach for most sports organisations and event organisers.

Sustainable procurement is: “Procurement that has the most positive environmental, social and economic impacts possible over the entire life cycle”²

¹ Where all the costs that will be incurred during the lifetime of the product or service are taken into account including purchase price and all associated costs (delivery, installation, insurance, etc.); operating costs including energy, fuel and water use, spares and maintenance; and end of life costs, such as decommissioning or disposal.

² Definition of sustainable procurement from ISO 20400:2017



WHAT DOES SUSTAINABLE SOURCING COVER?

In this Guide we consider sustainable sourcing to have a wide scope that covers everything your organisation contracts to pay for, to license, or to receive via sponsorship or donations. This includes goods (products and materials) and services, such as catering and cleaning. It means everything you pay for (i.e. cash purchases), or through trading of rights (i.e. licensing, broadcasting and sponsorship deals).

Sustainable sourcing spans the whole cycle from identification of needs, negotiating, managing and monitoring of contracts/agreements for goods and services, through to when the goods or services are no longer required. It also includes planning, defining strategy and specifications and processes for selecting suppliers, licensees and partners.

In many organisations, the purchasing of materials and equipment, their operational use and eventual disposal when no longer needed are treated as separate processes. This is the traditional linear model of buy, use and dispose. Adopting a more sustainable approach to sourcing is about connecting these three aspects to enhance lifetime value and minimise waste.

Sustainable sourcing is the front end of this lifecycle approach and is about determining overall value, rather than purely thinking in terms of upfront cost.

WHY SOURCE MORE SUSTAINABLY?

The rationale for engaging in sustainability as a core part of the way you do business is set out in detail in the first of the “Sustainability Essentials” guides: Introduction to Sustainability.

In that introductory guide we explained how a genuine approach to sustainability goes beyond ad hoc projects and support for good causes, and instead requires a more comprehensive regime of policies, processes and practices that are integral to your organisation’s way of working. This is vital for addressing the real impacts that your activities have on people and the environment, and for understanding risks and opportunities for your organisation.

For sports organisations, key drivers may include responding to stakeholder expectations to maintain a social licence to operate, complying with legislation and regulation, optimising the use of resources to reduce costs and environmental impact, economic value creation as well as demonstrating leadership on the world stage and good standards of ethics and governance.

Whatever your reasons, one of the most significant areas where you can make a real difference in terms of sustainability is in how you source the goods and services you need. The choices you make will shape your sustainability performance and help you to be better prepared to manage risks arising through your value chain (see definition in the box below).

In a world where everything is increasingly more transparent and connected, understanding and managing the impact of sourcing decisions is becoming ever more critical. Integrating sustainability considerations into how business should be done is fast becoming the only way of doing business in the future.



DISTINGUISHING BETWEEN SUPPLY CHAIN AND VALUE CHAIN

These two terms are commonly used in reference to sustainable sourcing and it is useful to understand their respective meanings:

- Supply chain is the sequence of activities or parties that provides goods or services to the organisation (Source [ISO 20400:2017 Sustainable Procurement – Guidance](#)).

- Value chain has a much wider scope and refers to all the upstream and downstream activities associated with an organisation, including sourcing of raw materials, production and supply of products and services and disposal/recycling processes (Source: Adapted from [World Business Council for Sustainable Development](#))

WHAT IS THE BUSINESS CASE FOR SUSTAINABLE SOURCING?

Many organisations hold back from taking action on sustainability because they fear it will cost too much. In fact, this need not be the case. Improved efficiency can lower costs. More sustainable organisations can also attract additional sponsorship revenue, and there are unseen benefits in reduced reputational risks and more motivated staff.

Sourcing decisions are a key part of this approach. It is about defining and understanding value, rather than just purchase price. Of course, sometimes the preferred option from a sustainability perspective may have a higher initial cost. However, when whole life costs (see above)

are taken into account more sustainable alternatives are often cheaper. Good sourcing practices will help ensure a competitive, engaged and competent supply chain to enable sustainability goals to be introduced in a way that delivers value for money.

A similar approach also applies to services. For example, service providers carry risks in relation to labour standards, health and safety, insurance and customer service/satisfaction – as well as potential risks associated with what they are sourcing to support aspects of their service delivery (e.g. uniforms). When all these are considered you can make a more informed choice of supplier that will provide best value and complement your sustainability requirements.

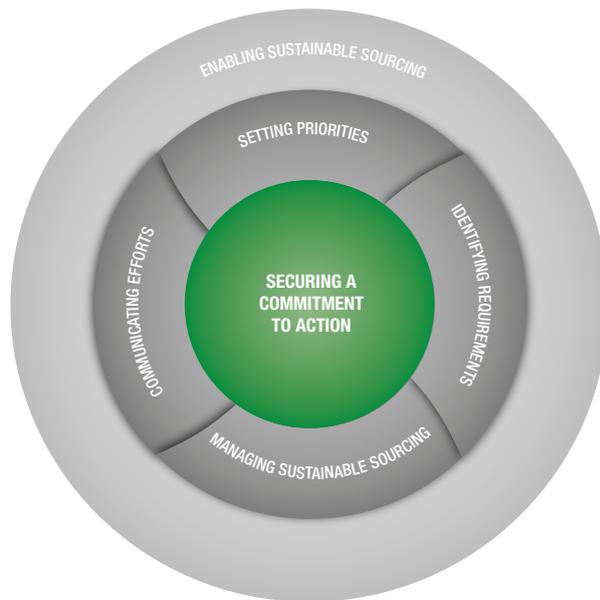


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SECURING A COMMITMENT TO ACTION



SECURING A COMMITMENT TO ACTION



MAIN GOAL

To secure commitment from top management and understand how sustainable sourcing will support your core business strategy.

COMMITMENT FROM THE TOP

It has to be a conscious decision to embark on a sustainability programme and that requires a clear commitment from top management. Sustainable sourcing is not something that can be done as an ad hoc side project; it needs to fit into how your organisation works and support your core organisational strategy.

Nor can this be an overnight conversion. Whether you are an established organisation with existing suppliers and partners, or starting out as an event organising committee, putting in place sustainable sourcing policies and processes will require acceptance of new ways of working and a determination to follow through. This cannot happen without the full and engaged support of top management to show leadership and to enable those in charge of sourcing to develop and implement the new approach.

It is therefore advisable to engage top management on sustainable sourcing and why it is important as soon as possible. The following sets out some tips on how this might be approached:

- **Seek a senior leadership sustainability sponsor/advocate** – attempt to get a member of top management team bought-in and supportive of sustainability – if you have a Sustainability team ideally this would not be the director you report into.
- **Know your audience** – attempt to understand the personal interests and motivations of the individuals on the leadership team – identify how sustainability may align with their interests and motivations and assign them with roles and tasks on this basis.
- **Present solid sustainability opportunities** – this may include key facts and figures about the dual sustainability and commercial successes of recent sporting events (e.g. sponsorship opportunities, revenue generation, cost savings), keeping stakeholders supportive and advocates for your organisation, as well as providing external profile-raising opportunities for the senior leadership.



- **Focus and identify issues which offer leadership opportunities** – sustainability is a big and complicated theme and whilst there will be a range of things you will likely need to be address, this may be too problematic to explain and achieve buy-in in one go. Instead identify key themes and trends happening globally or in your country which may present leadership opportunities for your organisation and focus on this with top management.
- **Invite an inspirational speaker with public profile** – identify someone who the leadership will know and who is also a strong advocate for sustainability to speak and inspire and excite them into taking action – this may also lead to ambassadorial opportunities for the organisation. If there is a reluctance for this, other options might include inviting athletes who are also sustainability advocates (there are lots out there) or a senior representative from one of your sponsors who may be engaged in sustainability.
- **Arrange visits in the supply chain to reinforce moral case** – identify opportunities for the leadership to visit sites (factories, farms, etc) which have been used to produce/supply items to help make sustainability issues more tangible for them and reinforce the moral case for sustainability.
- **Invite some critical stakeholders in** – identify some vocal critics from civil society and invite them in for some one-to-one meetings with key members of the leadership team.
- **Use the right language** – ensure language is tailored to the audience. Use business language, not technical or sustainability jargon or acronyms.

In engaging your senior leadership it is important to really focus on ‘why’ sustainability is important – this is considered to be more important than ‘what’ and ‘how’.

UNDERSTANDING YOUR SPECIFIC CONTEXT

It is always worth taking time to understand your current situation and the pressures and circumstances that are affecting (or will affect) the way your organisation operates.

In terms of sustainable sourcing it is important to assess how much your organisation is reliant on goods and services supplied by others and how this will affect your sustainability goals and your wider organisational goals. Ask yourself the following questions:

- What are the main types of goods and services we currently source, or need to source?
- Are these tied to existing long-term contracts, or do we have an opportunity to introduce a new approach?
- What are the drivers for sustainable sourcing: are we under pressure from external stakeholders, from a regulatory perspective, or from other factors to source goods and services more sustainably?
- What are other similar organisations doing?
- How might sustainable sourcing impact on our organisation’s wider objectives?

This type of exercise is best done in collaboration with your key internal and external stakeholders. Through such dialogue, you can identify better the likely risks and opportunities you will face and reinforce the case for action. Effective stakeholder engagement is a good way of fostering goodwill. In this context it is especially important to have a good relationship with suppliers and partners, so that they feel part of the programme.

This initial exercise to put your situation in its proper context is a way of building a case for action to convince your organisation’s leadership team of the value of sustainable sourcing. Ultimately it will help you prioritise and communicate what you intend to do and why.



DEVELOPING YOUR STRATEGY

Sustainable sourcing considerations need to be integrated at the highest level in order to set the tone, direction and priorities for the entire organisation.

A good way of doing this is to produce a sustainable sourcing strategy. This should describe your vision, high-level goals and delivery approach, aligned with your organisation’s wider strategy and goals. If you operate in or source from multiple territories or jurisdictions you should ensure your strategy reflects this.

In addition to setting an overall strategic direction and objectives, the sustainable sourcing strategy should clarify roles, responsibilities and accountabilities for sourcing; internal and external resource requirements; monitoring and measurement; and key barriers and challenges (see also section on Enabling Sustainable Sourcing).

The document does not have to be very long or complex but should as a minimum outline how your sustainable sourcing intentions will be delivered over a given timeframe. It should be communicated across the organisation and ideally externally. You are encouraged to publish at least a summary of this document on your website.

WHAT’S THE DIFFERENCE BETWEEN A VISION AND A STRATEGY?

- A vision is a short, succinct and inspiring forward-looking statement of what is intended to be achieved at some point in the future (say in 5-10 years time). It sets out your organisations future aspirations without giving a reason ‘why’ or ‘how’.
- A strategy outlines where an organisation is, where it wants to be, what it will focus on, who it will work with and the key steps it intends to take to get it to where it wants to be.

KEY ACTIONS

Basic Level	<ul style="list-style-type: none"> • Top management commitment has been secured and an initial sustainable sourcing strategy has been developed.
Intermediate Level	<ul style="list-style-type: none"> • Top management commitment has been secured and a sustainable sourcing vision, strategy and time-bound set of objectives have been developed in alignment with the organisation’s overall objectives.
Advanced Level	<ul style="list-style-type: none"> • Top management commitment has been secured and a comprehensive sustainable sourcing vision, strategy and time-bound set of objectives have been developed in alignment with the organisation’s overall objectives and with input from key external stakeholders.



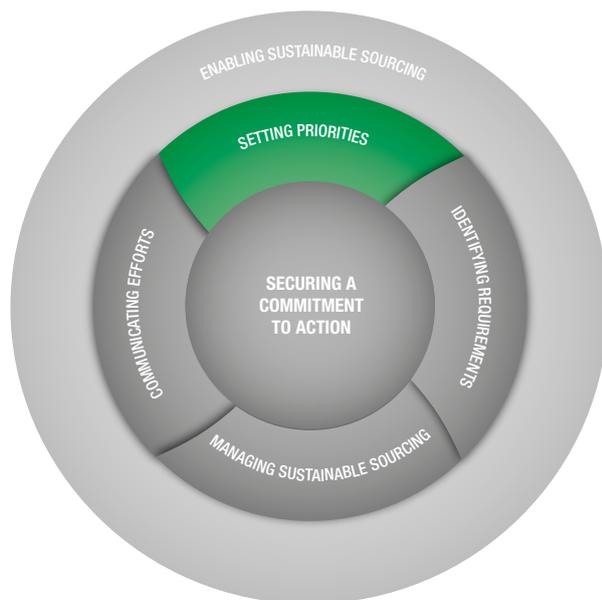
3

SETTING SUSTAINABLE SOURCING PRIORITIES





SETTING SUSTAINABLE SOURCING PRIORITIES



MAIN GOAL

To set key sustainable sourcing priorities and goals for your organisation.

RATIONALE FOR SETTING PRIORITIES

For larger sports bodies and those organising major events, the scale and intensity of sourcing activities means that it is usually impractical to treat everything to the same level of detail. Indeed, not all issues are equal, or even relevant in every situation. For smaller organisations, it may be more a matter of lacking the capacity to address sustainable sourcing across all your activities. Therefore, in most situations, you will be best advised to consider setting priorities.

The aim should be to identify those goods and services you intend to focus on first, and which issues will be given more or less weight. Actions should be prioritised in relation to the greatest risks and greatest opportunities.

There are two ways of looking at this. You can analyse the different categories of goods and services you use – or intend to use – and highlight those most likely to carry sustainability risks or opportunities. Examples might include branded goods and merchandise due to concerns about labour standards in their production, or construction materials for event structures, which might involve, say, unsustainably sourced timber.

Alternatively, you can start from the perspective of critical sustainability issues, such as climate change or local jobs and skills development, and determine how your sustainable sourcing policies can incorporate these aspects.

The extent to which your organisation has a wider or overall organisational sustainability programme will be a key factor here. A key consideration will therefore be to determine the extent to which you will be dependent on your supply chain to deliver any goals that exist at an organisational level.

An even more sophisticated approach would be to do both and match them together to see if certain issues and categories coincide, thereby indicating real priorities to address.



IDENTIFY CATEGORIES OF GOODS AND SERVICES

The first step is to review and analyse what you source and how you source it – whether this is through direct spend, licensing deals or via sponsorship. This can be done by following the steps outlined below.

- **Identify all sources of spend data** – this should cover both cash purchases and value-in-kind contributions from sponsors. The information should include detail on goods and services acquired, where they are sourced from (i.e. the supplier or partner), and on what basis (purchase, rental, loan etc.). Information may be held across different departments, especially where there is no single procurement function. Thus, it is likely to involve a fair amount of detective work. The data should be consolidated, in a single spreadsheet. In doing this, you may find you will need to correct errors in recording transactions, weed out any duplicate data and standardise descriptions.
- **Categorise your spend data** – the information should be examined to identify key groupings and trends. This should help you to identify the top spend categories, key suppliers, long-term versus short-term arrangements, marketing/sponsorship supply restrictions and year-on-year fluctuations. This will help you categorise the data into meaningful groups. Suggested spend categories relevant to sports organisations are provided in Appendix B – but you may

choose to categorise differently. Some categories may be too broad and need to be sub-divided: for example, professional services might be better split into sub-categories such as auditors and legal services. It may not be easy to categorise everything, but to start with make sure you assign everything to what seems to be the best category, or sub-category fit.

- **Analyse your spend** – analyse your spend data to gain a full insight about what you buy and how you buy it. This will provide the foundation for how you determine your sustainable sourcing priorities. Insights you should seek to find out include:
 - o the total amount spent on goods and services per category;
 - o which department/team is spending and on what;
 - o whether single or multiple suppliers are used for specific categories; and
 - o the proportion of spend with a handful of core or major suppliers versus one-off and small transactions.

Ultimately, at an organisational level the key questions you are seeking to answer at this stage may be summarised as:

- Who sourced it?
- What was sourced?
- When and how often did we source it?
- With whom did we source it?
- How did we source it?
- How much did we pay for it (or what was the value of it)?



DETERMINE POTENTIAL KEY SUSTAINABILITY ISSUES

The second part of your analysis should be to identify the main sustainability issues relevant to your organisation. Ideally, this will be something you have done or are doing with respect to your whole organisation, and not just with respect to sourcing.

Not all the sustainability issues that you identify for the whole organisation will be relevant to how you source goods and services, but generally there should be a close fit. This is because many of the ways of addressing issues will be through sourcing decisions. For example, if you have identified climate change as a major issue for your organisation and you intend to carry out measures to reduce greenhouse gas emissions, ultimately these will come back to sourcing decisions. Say you decide you should switch to a greener energy tariff, or introduce new, low-emission/energy efficient equipment, lighting systems or vehicles, all of these choices will have to go through a sourcing process.

Determining priority issues is what can sometimes also be referred to as a “materiality” assessment. This should normally cover three perspectives:

- What sustainability issues do you consider important for achieving your sporting or organisational goals?
- Are there any specific sustainability-related risks that your sport or organisation faces?
- What do your stakeholders consider to be important?

For more information on determining which sustainability issues matter most, see [“Introduction to Sustainability”](#) (pages 27-28).

From these three angles, you will most likely end up with a long list of issues that you need to filter down to a manageable list of priority issues. With respect to sustainable sourcing you will need to determine the extent to which these are relevant to your supply chain. In this regard, it will be especially important to ensure you have engaged with your existing suppliers and partners and taken soundings from other organisations and experts who understand the sectors and product/service areas under consideration.

In the end you will need to make a judgement on the materiality (or significance) of the issues raised. By seeking input from stakeholders and reviewing your own objectives, activities and risks, you should have all the information necessary to make an informed choice of the issues to prioritise. Ultimately, there is no absolute right or wrong answer. This is about being confident that you have identified issues that are most relevant to your context and being comfortable that you are able to justify these choices.

You should aim to identify the nature and scale of the sustainability issue for all your main expenditure categories. However, remember that in some cases, even low-spend, less critical categories may still have significant sustainability issues/impacts that you will need to address.

There are a range of tools and resources available to help you do this, ranging from a simple ‘category-issue’ matrix to proprietary software. For those starting out it’s best to keep it qualitative and relatively simple with the goal of continually improving your knowledge and understanding over time.



Appendix A provides an annotated list of the main sustainability issues and how they relate to sourcing. Although this is a comprehensive list, it is not exhaustive and depending on your specific circumstances, there might be other issues that arise. Nevertheless, it does provide a useful starting point and should be of help to most sports organisations.

This is not just about the goods and services you buy or acquire. You should also reflect on your organisation's own decision-making and activities, how these influence sourcing and whether they may give rise to sustainability issues. For example, excessive payment terms, paying suppliers late, having unrealistic delivery expectations or aggressively negotiating on prices may impact you in terms of reputation or reduced quality of supply. Equally, if you treat suppliers/partners well you are likely to see this reflected in their performance.

SETTING SUSTAINABLE SOURCING PRIORITIES

Having categorised all your main items of expenditure and identified your organisation's main sustainability issues, the next step is to map them together to create a "spend categories and issues matrix" (see Appendix B for an example).

The aim here is to find which of your most important spend categories coincide with your most significant sustainability issues. You can rate the importance of the spend categories based on the proportion of your expenditure on these categories and/or their importance in meeting your organisation's needs. On the sustainability side it may be a question of likely severity of impact and/or level of stakeholder concern, or even regulatory interventions.

You are likely to end up with a long list of categories with a range of potential sustainability issues attached. You cannot possibly tackle them all – so you will need to prioritise.

YOU SHOULD REFLECT ON YOUR ORGANISATION'S OWN DECISION-MAKING AND ACTIVITIES, HOW THESE INFLUENCE SOURCING AND WHETHER THEY MAY GIVE RISE TO SUSTAINABILITY ISSUES



At this point you will need to reflect on:

- What the main social, environmental, ethical or economic issues are for each category?
- How important each category is to your organisation? (e.g. could security of supply ever be at risk?)
- How important each category is to your wider sustainability programme or sustainable sourcing strategy?

There is a range of factors that should be considered when identifying your priority categories. These may include the size of the risk and opportunity, the scope to improve and the leverage you have to make any improvement happen. As a general rule of thumb, focus should generally be on those categories where there is the highest scope and influence. However, even though scope and influence might be low for some categories they could still have significant issues attached with them. In these instances, you may decide that it's important to be proactive and attempt to tackle these issues too.

Typically, priority categories include:

- branded goods, as they carry your mark and therefore put your reputation on the line if any issues arise;
- the highest spending categories on an annual or lifetime basis;

- where there is likelihood of a high sustainability impact and/or regulatory controls;
- items that will contribute to your organisation's sustainability goals; and
- "quick wins" – items that are easy to deal with and can readily deliver sustainability improvements.

Having done a first attempt at identifying the priority categories, it is wise to sense check against other potential influencing factors. These might be changes to your organisation's future goals and requirements, changing legislative or political context, and shifting societal attitudes and behavioural trends. Many of these are hard to analyse at one point in time, so it is important to have a process for regular review and updating of your sustainable sourcing policies to ensure your objectives and priorities remain valid and relevant.

There will be a fair amount of subjectivity when identifying priority categories to take forward. Stakeholder engagement should be an important part of the process. You should provide opportunities for internal and external stakeholders to get involved at an early stage. This will help ensure the right priorities are targeted and will aid buy-in from those who will be required to implement more sustainability sourcing in each of your priority categories.

STAKEHOLDER ENGAGEMENT SHOULD
BE AN IMPORTANT PART OF THE
PROCESS. PROVIDE OPPORTUNITIES FOR
INTERNAL AND EXTERNAL STAKEHOLDERS
TO GET INVOLVED AT AN EARLY STAGE



ESTABLISHING SUSTAINABLE SOURCING GOALS

It is important to establish sustainable sourcing goals because they will help you understand your progress and the impact you are having (be it positive or negative), as well as for obtaining information for making decisions or reflecting on lessons learned.

In general, there are three main types of goals:

- Quantitative goals where specific measurements are required to assess progress (e.g. achieve an average of 120g per km or less of CO₂ emissions across the small passenger car fleet – no more than eight seats in addition to driver's seat – sourced for an event).
- Improvement-based goals based on practical interventions that seek to reduce the impacts of goods and services through the stipulation of specified technologies or practices (e.g. reduce the overall carbon footprint of logistics transportation through use of zero- or low-carbon vehicles).
- Use of recognised sustainability standards/ labels to provide assurance that goods and services have been sourced/produced to agreed practices (e.g. 100 per cent wood and wood-derived materials/products sourced must be Forest Stewardship Council (FSC®) certified with full chain of custody throughout the supply chain).

Goals should ideally be time-bound and set at both a supplier/partner and product or service level. These three approaches are not mutually exclusive and your approach is likely to apply a mix of each. The main thing is that you are clear about why you are adopting

a particular set of goals and that these align with your wider sustainability programme and general organisational objectives.

Here are some key questions you may wish to consider in this regard:

- Do you need something to be quantified (e.g. for reporting or claims purposes)?
- Do you want to be able to measure these improvements against specific targets?
- Do you want to achieve improvements in key issue areas such as greenhouse gas emissions, water, air quality, waste, labour/ human rights, community relations?
- Do you need publicly credible assurances related to recognised standards or adherence to standards that will enable you to make certain claims?

All the above will be heavily influenced by the nature and scale of your supply chain, availability of resources and capability and capacity of your supplier/partner. There is no one approach – it will depend on your circumstances and what you are attempting to achieve.

You will most likely start out by measuring basic inputs (e.g. number of audits carried out of high-risk suppliers/partners, or the amount of certain materials sourced over a given time). As you develop your sustainable sourcing programme further, you should shift to measuring more tangible outcomes (e.g. incidence of forced labour, amount of waste reduced etc). This outcomes-based approach will be the most informative way of assessing progress against your sustainable sourcing goals. See also section on Communicating Sustainability Efforts.



WHAT IS AN OUTCOME?

Outputs and outcomes can often be conflated – but they are different. Outputs are essentially things that are produced or delivered (be it physical or digital), for example training or manufacturing of products. Outcomes is the difference these things make, either positive or negative – for example, reduced waste or fewer accidents.

A better understanding of outcomes will help determine which issues are material and require managing.

KEY ACTIONS

Basic Level	<ul style="list-style-type: none"> Initial expenditure analysis undertaken, key sustainability issues identified and used to develop a basic set of goals for high risk and “quick wins” spend areas.
Intermediate Level	<ul style="list-style-type: none"> Detailed expenditure analysis undertaken to identify key sustainability issues and time-bound goals have been established for all priority categories.
Advanced Level	<ul style="list-style-type: none"> Detailed expenditure analysis undertaken to identify all key sustainability issues and time-bound goals have been established for all priority categories with input from key external stakeholders. Goals are outcome-based wherever possible.

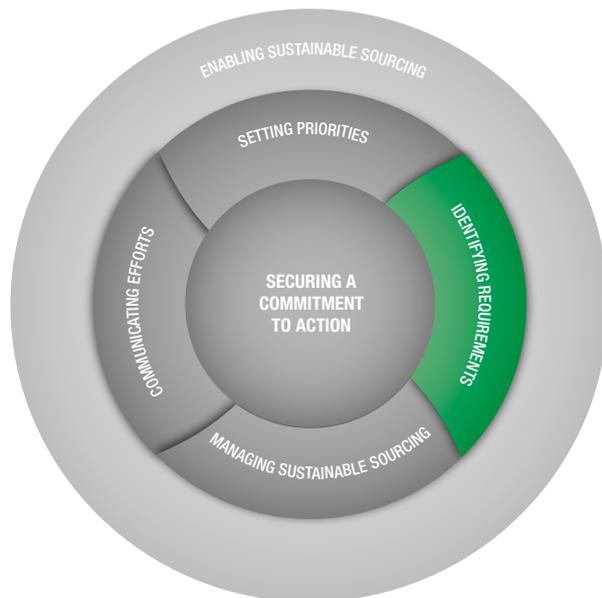


4

IDENTIFYING SUSTAINABLE SOURCING REQUIREMENTS



IDENTIFYING SUSTAINABLE SOURCING REQUIREMENTS



MAIN GOAL

To establish appropriate sustainability requirements for priority categories of goods and services.

RATIONALE

Having identified your priority categories and main sustainability issues, and determined your sustainable sourcing goals, the next step is to define specific requirements that will inform your sourcing decisions.

Sustainability considerations apply at every stage of the lifecycle of goods and services. Rarely does every consideration align perfectly for you to make a “totally sustainable” choice

– indeed there is no widely accepted definition of what that would be. Thus, it is a matter of defining what you believe is important and deciding what matters most when you have conflicting situations. For example, you may prefer to source locally, but which is better: a locally sourced product, or one from further afield but which has better environmental performance? Or what if the environmental performance of a product is good on energy efficiency, but poor on recyclability? Is it better to use disposable or reusable items, and so on. The answer is not always obvious and will depend on different factors and circumstances.

There is no one-size-fits-all approach to this as there will be many options open to you. Your requirements will also evolve over time as your knowledge and understanding improves and priorities change. The main thing though, is that you are clear in what you are trying to achieve at any given time, so that you can make informed decisions, which will enable you to choose more sustainable goods and services – and be able to justify such decisions.

Any sustainability requirements that you establish will need to be factored into the process of identifying and selecting a supplier, licensee or partner for the goods or services in question. Remember too, that suppliers, licensees and partners are only obliged to deliver on any sustainability requirements if they are written into contract.



ESTABLISHING SUSTAINABLE SOURCING REQUIREMENTS

In some cases, you will be very clear in what you want to achieve and will have to set minimum or mandatory criteria that must be met in order to supply the goods or services to you. In other instances, you may have a more general objective and are open to how it should be achieved. Requirements can be set at supplier/partner, supply chain or product/service level or all three.

Regardless, you will need to make sure you have a set of requirements by which compliance with your sustainability goals can be judged or measured. For example, a general requirement related to the circular economy may be translated into clear criteria for all items supplied to contain a proportion of reused or recycled content. A requirement related to respecting human rights and adhering to international labour standards can refer to detailed criteria as set by, for example, the Global Social Compliance Programme.

You can either define your own sustainability requirements or use something developed by an external organisation, multi-stakeholder initiative or industry schemes (e.g. an external standard). The decision to develop your own requirements or use someone else's will

depend on a range of factors. For example, when you apply your own requirements you will likely bear all the costs, all the risks, and all the pros and cons related to credibility of those requirements.

At this point, it may be useful to review Appendix A, which highlights some typical sustainable sourcing issues and suggests associated actions that may form the basis of your requirements.

USE OF EXTERNAL STANDARDS

In the case of external standards, they may be checked and verified or certified by third parties, but this is not always the case. For example, a decision to adopt a standard is not necessarily a choice for certification. Neither does it mean that a standard sets out very firm criteria – it may set out parameters for process rather than what the process should achieve by way of outcomes.

For example, ISO 14001 is the world's most widely used environmental management system standard. It sets out requirements within a predetermined scope, which must be met by the organisation. If, however, this is a factory producing white goods it does not also mean that the actual white goods meet the standard. It is not a product environmental standard.

YOU WILL NEED TO MAKE SURE
YOU HAVE A SET OF REQUIREMENTS
BY WHICH COMPLIANCE WITH YOUR
SUSTAINABILITY GOALS
CAN BE JUDGED OR MEASURED



WHAT IS THE DIFFERENCE BETWEEN VERIFICATION, CERTIFICATION AND ACCREDITATION?

Verification, certification and accreditation are often used interchangeably and together but mean different things and it is important to understand the difference between these terms. This is particularly important for judging the credibility of claims made by suppliers or partners.

- Verification is a general term used for the process of evaluating whether something complies/meets a set of requirements (which might be internally or externally set). There is no set approach to this and may be done by a client, a supplier or indeed an independent third party or wider stakeholder.
- Certification is essentially a written assurance of the conformity of the process, product or service to a pre-determined scope and set of requirements laid out in a standard. Generally, this is done by an independent third party – although first party (self) and second party (stakeholder) certification is also possible in some instances (e.g. ISO standards).
- Accreditation, on the other hand is the formal recognition by an authoritative body of the competence of an individual or organisation to work to specified standards.

In effect, certification is the third-party endorsement of an organisation's processes, products or services, while accreditation is an independent third-party endorsement of the certification itself.

For example, whilst it possible to be certified to ISO 14001 (the international environmental management system standard) – it is not possible to be accredited to ISO 14001. An accredited certification body can however be appointed to certify the organisation to ISO 14001.

External standards are prolific and have been developed for a range of scenarios (e.g. sites, organisations, raw materials, commodities and products). Some are consumer facing; some are more business-to-business. However, they may not cover your particular sustainability issues, or you may also find that a standard needs to be supplemented with additional requirements – an environmentally focused standard is unlikely to cover workers' rights for instance.

In general, external standards, which are proven and widely recognised, should be

chosen above those that are not. Such standards are likely to be cheaper and easier to implement and have much more credibility with stakeholders. However, you will usually find some critics of any given standard. For example, an industry-led scheme may be criticised by major NGOs. Likewise, it may be a standard promoted by campaigning groups but not necessarily widely adopted by the industry concerned. Where a standard is, say, supported by some NGOs, and/or UN or other international agencies, the chances are it will be sufficiently credible, even if not perfect.



It is also generally more advisable to adopt an organisational position on one standard for a particular issue and work with your supply chain. There may be instances though where you do decide to accept several standards – this might be acceptable, but you will need to be clear why and make sure they are not tackling different issues. For example, Fairtrade and Rainforest Alliance certification do not necessarily address the same issues if one or the other is being used. Or indeed your overall sustainability performance is not being lowered because of accepting multiple standards. For example, adopting the Ethical Trading Initiative (ETI) Base Code as the social standard for suppliers and licensees to be working towards but in practice accept other recognised social standards (e.g. BSCI, ITCI, etc) without being clear on how they fared against the ETI Base Code.

There may be costs associated with adopting an external standard. This might not be due to specifying the use of the standard though. For example, there is no premium by virtue of something being BCI cotton or FSC® certified wood. As with most commodities, pricing is actually a function of quality, origin, global market prices, demand and supply, negotiation skills, volume procured and payment terms – being BCI cotton or FSC® certified wood is not one of them. That said, standards may introduce additional costs such as compliance obligations, administrative or record-keeping including training of key staff. You need to consider though whether you will be saving money by adopting an external standard. For instance, what assurance arrangements

will you need to put in place to meet the same outcomes if you don't end up adopting a specific standard?

Given the increasing scarcity of certain raw materials (e.g. forestry and fisheries) there is a growing risk that certain products may come from over-exploitative sources. Adopting certified products might provide additional assurances in this respect – but should not be assumed. For example, in the EU stipulating the use of certified timber does not mean that there is no need for due-diligence and risk assessment as required by the EU's Timber Regulation.

It is important to remember that not all independent standards or schemes are equal in terms of credibility and robustness. The ISEAL Alliance has developed a set of [Credibility Principles](#) which will be useful to review when considering the use of standards.



[Standards Map](#), developed by the International Trade Centre, provides information on over 200 standards, codes of conduct, audit protocols addressing sustainability hotspots³ in global supply chains. The ISEAL Alliance has also developed some useful guidance called '[Challenge the Label](#)' which aims to help buyers distinguish between credible and non-credible claims. Claims and declarations will be discussed further in the section on 'Communicating Sustainable Sourcing Efforts'.

³A 'hotspot' is an activity within a product's life cycle that is identified as having a substantial environmental or social impact that is supported by significant evidence. For example, in the case of coffee its 'hotspots' are during coffee bean production (e.g. child labour use, fertiliser application on farm, or supply chain transparency); during coffee bean processing (e.g. worker health and safety); packaging (e.g. energy consumption) and transportation (e.g. fuel combustion) rather than during its retail, consumption and end of life



DEVELOPING YOUR OWN INTERNAL REQUIREMENTS

If you decide to develop your own set of requirements it is still advisable to refer to criteria and standards that are already well developed and widely recognised.

You should consider:

- What are the issues you want to address through your requirements?
- Have standard industry or best practices already been developed for these issues either generically or specific to the priority category you are looking at?
- Are there any issues for which best practice guidance still needs to be developed and/ or where no proven or market ready solutions exist?
- Are there opportunities to collaborate with other organisations to drive a shared understanding of how to address the issue and to share the burden of capacity building?
- Who can best help you to explore and review best practices to ensure effective implementation of future requirements?

DEVELOPING A SUSTAINABLE SOURCING CODE

Ultimately you need to document your requirements in one form or other. A good approach is to consolidate your general requirements in the form of a “Sustainable Sourcing Code”.

Development of a Code can help you to consider the relevant issues and establish a framework for your sustainable sourcing strategy. It should also be a useful document to communicate to existing and potential suppliers

and partners, so they can understand your goals and approach to sustainability.

A Code can be used as the basis for developing more detailed functional and operation specific procurement strategies, plans and specifications (e.g. for catering, transport, technology etc.). Further requirements can be introduced together with more explicit performance measures relating to what is being procured (e.g. food or vehicles). As a minimum, requirements should be formally articulated at the tender stage – but you may also wish to do some engagement with the market prior to tender.

The Code should make clear how it applies to which parts of the suppliers’, licensees’ or partners’ supply chains. Consider to what extent they will be required to enforce your requirements through their supply chain where it relates to your organisation. A suggested template for a Sustainable Sourcing Code is given in Appendix C.

In all cases you will need to ensure the core requirements of your Code and any other sustainability requirements are integrated into your final sourcing specification and applied through your tendering process – see next section.

You should also consider making this document publicly available. This would be clearly beneficial for prospective suppliers/ partners so that they can familiarise themselves with your expectations. It will also be of interest to your wider stakeholders as they will be better able to understand your views on sustainable sourcing and how this is being implemented.



DISPOSAL AND END-OF-LIFE MANAGEMENT

Where you are being supplied goods or materials you should consider how these items will be managed once you no longer want them (which may not necessarily be the end of their useful life).

You should aim to prevent waste from the outset wherever possible (see Procurement Hierarchy on page 38). However, if this is not possible, then prioritise reuse and recycling and if this is not possible recovering other value (such as energy). Disposal to landfill or incineration should be the last resort. Waste disposal has the greatest impact on the environment and is typically the least cost-effective waste management solution.

In particular, for most usable assets reuse should be explored as the preferred disposal route in procurement contracts. Identifying and confirming reuse routes can take time and much research and discussion. Reuse options are many and varied taking forms such as buy-back schemes, sale or return, or donation to other events or community organisations such as schools or hospitals. A lot of barriers may be encountered, including concerns over quantities, quality, guarantees or warranties and collection arrangements.

These requirements should be considered upfront when determining the need for goods and services and factored in throughout the design, sourcing strategy and tendering process and use stages. This should include consideration for disassembly and reuse at the design stage, ensuring that the need for components and materials are optimised in the specification and avoiding the use of substances and materials that could be costly and difficult to dispose of safely.

Many organisations think the cost of waste is just the disposal cost but to get the true value you need to take into account several factors: the cost of purchasing; handling, processing and maintenance costs; management time; and any lost revenue and potential liabilities. It has been shown that the true cost of waste is often 5–20 times that of the actual disposal cost.

Focussing on reducing materials usage, reusing materials and increasing recycling will generally save money, boost landfill diversion rates, generate income, cut greenhouse gas emissions – and enhance your reputation.

OTHER KEY CONSIDERATIONS

Here is a summary of the key things to bear in mind when establishing a sustainability requirement:

- **Keep it meaningful** – context is everything. Are you clear in what you are asking of your supplier/partner and why? Will it serve a clear purpose and tell you something meaningful? If it doesn't don't make it a requirement.
- **Make sure it can be delivered** – ensure your suppliers/partners can do what you're asking of them – clearly this can be tested through the selection process (see next section) but you may still be looking to achieve something that the market simply is not capable of delivering at this time. You may need to do some market research.
- **Make sure your requirement can be monitored and measured** – do you have the resources and capability to use whatever information you get from your suppliers/partners? Make sure you also understand your baseline position before setting specific targets.
- **Standardise and drive convergence where possible** – try to stipulate requirements that are seen as standard or generally accepted. Remember your suppliers/partners may be receiving



competing requests from their other customers – so try to make requirements “add value” by ensuring that they are not just relevant to you.

- **Be flexible.** Sustainability requirements should be dynamic and subject to change as your knowledge and understanding evolves – be open to what your suppliers/ partners say in this respect too.

- **Be focused.** Do not feel you have to set requirements for all of your priority categories and all sustainability issues in one go. Keep it manageable for your own organisation and for your suppliers and partners.

The next section provides more information on how to manage sustainable sourcing and how to take your requirements forwards.

KEY ACTIONS

Basic Level	<ul style="list-style-type: none"> • A basic sustainable sourcing policy has been developed alongside key sustainability requirements for high risk and ‘quick wins’ spend areas.
Intermediate Level	<ul style="list-style-type: none"> • A Sustainable Sourcing Code, which sets out minimum standards to be achieved, has been developed together with category specific sustainability requirements for priority categories.
Advanced Level	<ul style="list-style-type: none"> • A Sustainable Sourcing Code, which sets out minimum standards to be achieved, has been developed together with category specific sustainability requirements for priority categories with input from key external stakeholders. Requirements are aligned with outcome-based goals wherever possible. • Disposal and end of life asset management has been planned for all key categories (see also section on Managing Sustainable Sourcing below).

BE FOCUSED. DO NOT FEEL YOU
HAVE TO SET REQUIREMENTS FOR
ALL OF YOUR PRIORITY CATEGORIES
AND ALL SUSTAINABILITY ISSUES IN
ONE GO. KEEP IT MANAGEABLE

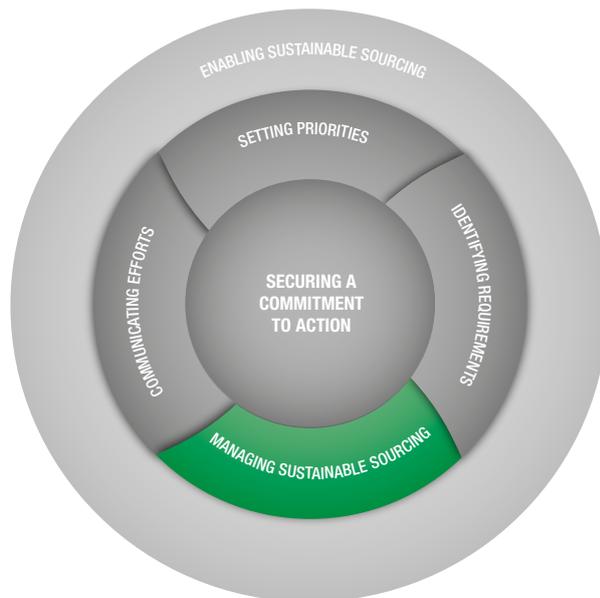


5

MANAGING SUSTAINABLE SOURCING



MANAGING SUSTAINABLE SOURCING



MAIN GOAL

To implement sustainable sourcing requirements fully across all priority categories.

DEFINING YOUR APPROACH

The basis for any supply, licensing or sponsorship arrangement is a contract. Normally you would first set out the requirements in the contract/agreement (typically via a tendering process) and secondly you would assist your suppliers/partners in complying with these requirements.

It is relatively straightforward to include sustainability requirements into a contract; the harder part is to ensure these requirements are followed through in delivery. This is where your

relationships with your suppliers, licensees and partners will be critical. The strongest motivation is through cooperation: e.g. development of best practices, assistance with compliance and joint reporting of outcomes and lessons learned. There is also the route of contract management, which may include rewarding compliance and continuous improvement and de-incentivising non-compliance. The effectiveness of these options will depend on the nature of your relationships, the types of sustainability issues being addressed and the nature of the supply chain involved.

Introducing sustainability requirements into contracts is, of course, most appropriate for new procurement and sponsorship deals. Where you already have existing – especially long-term – arrangements, it will be much harder, and probably costly, to require changes. Here the best way forward is through dialogue and collaborative working to common goals. Do not assume existing suppliers/partners will be resistant to new sustainability requirements. For many companies, this is an area of business opportunity and they may already be facing similar demands across their wider client base and/or in their sector.

There will be situations where existing suppliers or partners are reluctant to accept changes and these will require careful handling. Often this is through assumed fear of the impact of change, rather than specific objections. If you can be clear on what it is you require and collaborative in your approach, most companies will cooperate.



There is, of course, the option for change when the contract is up for renewal. Again, this can be difficult if the supplier/partner in question has a long-established relationship with your organisation, and/or provides some critical and specialist goods or services. However, if there is continued resistance to accepting sustainability requirements, one must question why this is the case. You also need to consider potential risks to your wider objectives and reputation of sticking with a supplier/partner that is reluctant to change.

In determining your best way forward, it is worth considering these points:

- What sourcing approach will you adopt to source a particular category of goods and services?
- How will you include sustainability requirements in your supplier/partner agreements?
- How will you support your suppliers/partners to meet your sustainability requirements?
- How will you monitor implementation?
- How will compliance with sustainability requirements be verified?
- How will you evaluate and communicate the impact of your sustainable sourcing activities?

Many aspects of what is set out in this section mirror what could be thought to be the basics of good procurement practice, but in this section, they are solely being examined from a sustainability perspective.

EMBEDDING SUSTAINABILITY INTO CONTRACTS

The first course of action is to think about what you have in place to regulate the relationships with your suppliers/partners. You should have sustainability clauses included in your standard terms and conditions or licensing and sponsorship agreements. There should also be provision to introduce additional requirements where necessary (e.g. as a supporting schedule). These might cover any specific sustainability requirements you have set, and the related proposals offered by the prospective supplier/partner in their tender response.

Surprisingly many organisations fail to realise that even if your chosen supplier/partner has provided an excellent tender response, the contents of their proposal will not be contractually binding unless they are referred to in some way in the contract. A proposal from a prospective supplier or partner is otherwise just a marketing document.

You also need to consider whether your contracts contain effective sanctions against suppliers/partners who do not meet your requirements, as well as incentivising compliance or continuous improvement. A common pitfall is that suppliers/partners can treat sustainability as a “box-ticking” exercise and do not invest the effort to support your requirements.

Sometimes it is the reverse, whereby pro-active suppliers and partners feel let down by the client who is not fulfilling the spirit and letter of their own sustainability policies. Therefore, as always with contracts, you need to see this is a two-way engagement and all parties need to be serious about implementing the sustainability policies and requirements.



EXAMPLES OF SUSTAINABILITY CLAUSES IN STANDARD TERMS AND CONDITIONS

Examine the following draft clauses to see if one or more, or a combination would work in your situation.

The Supplier shall comply with any sustainability policies and requirements of [insert organisation name] that have been notified to the Supplier by the date of this Agreement.

The Supplier shall comply with sustainability practices, procedures and guidelines reasonably required by [insert organisation name] and shall procure that its Connected Persons do the same.

The Supplier shall conduct its activities pursuant to this Agreement with regard to applicable environmental laws and equal opportunity /anti-discriminatory laws and any sustainability policies of [insert organisation name] and shall procure that its Connected Persons do the same.

The supplier shall comply with any reasonable additional sustainability policies and requirements of [insert organisation name] that may be advised from time to time during the course of this Agreement.

EXAMPLE OF ADDITIONAL SUSTAINABILITY REQUIREMENTS APPENDED IN A SCHEDULE FOR A DIRECT SUPPLIER CONTRACT

This is an example of a more specific approach that can be appended as a schedule to complement the standard sustainability clause in the main contract.

Schedule X: Sustainability

In performing the Services, the Supplier shall ensure that it and any sub-contractors, which it engages to provide any of the Services, shall:

- 1. (a) comply with obligations under clause XXX of this Agreement as they relate to sustainability;*
- 2. (b) use reasonable endeavours to source products with enhanced sustainability credentials (e.g. recycled content);*
- 3. (c) work with [insert organisation name] to explore the utilisation of alternative sustainable means of service delivery;*
- 4. (d) make provisions for the appropriate redeployment, re-use and recycling of items supplied in connection with the Services and in doing so the Supplier shall maximise opportunities for reuse and supply a report on how it has delivered on this obligation; and*
- 5. (e) within a reasonable period of the date of the Agreement, prepare appropriate documentation setting out how the Supplier intends to comply with the obligations set out in this clause.*

The Supplier shall nominate a designated member of the Supplier Personnel as the Supplier's representative with respect to the Supplier's sustainability obligations under this Agreement.



IDENTIFYING ORGANISATIONAL NEED

Sustainability issues should be considered right at the beginning of the sourcing process. Your ability to influence decisions to optimise cost, performance and sustainability declines with time.

Most sourcing begins with the identification of a business need whatever this might be (see Procurement Hierarchy, below). The first sustainability task at this stage is to challenge the assumed actual business need and to identify opportunities to:

- avoid or reduce consumption of materials;
- identify if there is a more sustainable alternative readily available; and
- rethink and revise specifications in order to improve more sustainable outcomes.

The Procurement Hierarchy

We recommend following a hierarchical process for determining procurement need for goods. This has six levels, commencing with the most favourable option for sustainability:

The Procurement Hierarchy



Source: Adapted from Waste and Resources Action Programme (WRAP)



This involves the relevant teams coming together to define and scope the technical requirements, evaluation criteria and assessment potential risks and issues. A certain amount of market research is also likely to be needed (see below).

The purpose of this approach is to challenge the business requirements and distinguish between “wants” and “needs”. This will help identify available options and the most appropriate sourcing solution. Avoiding unnecessary sourcing of goods and services not only saves costs, but also reduces the environmental and social impact of supply.

You should challenge and question any repeat sourcing as much as possible and seek innovative ways to meet your organisational needs. For example, is a similar product already in use within your organisation – or indeed within other NOCs/IFs – and could be shared more widely with other users? Are there opportunities for existing items to be refurbished, repaired or upgraded to avoid you having to buy new? Can products be leased on a short or long-term basis instead of bought or delivered as a service?

EXAMPLE: SHARING A TEMPORARY VENUE

The Spengler Cup, an annual invitational ice hockey tournament, takes place at the end of December, in Davos Switzerland. A few weeks later, Davos hosts the Annual Meeting of the World Economic Forum.

For several years both events’ organisers have collaborated on a shared space in the form of a temporary pavilion structure, which serves as a hospitality venue for the Spengler Cup and as the media centre for the Forum’s Annual Meeting. This saves costs, time and resources by having a single structure, requiring modest internal reconfiguration between the two events.



RESEARCHING THE MARKET

It is advisable to undertake market and industry research to get a full appreciation of your potential sourcing options. This is a continual process – the pace of change that is happening with new technologies and innovations means you should not take it for granted that you know the market.

Advance market intelligence and engagement is advisable for several reasons. You might simply want to understand the current market and what more sustainable options may exist, or you may want to give potential suppliers early notice of your intentions.

Engaging with a diverse range of prospective suppliers/partners early on in the process can help establish if your sustainability needs can be met or exceeded by identifying:

- new technologies, products or other innovations;
- new suppliers/partners previously unknown to you;
- new business models or ways of working; or
- innovative buyer-supplier collaborative relationships

Where sustainability requirements can't be met in the current market, you might wish to consider taking a 'forward commitment' approach to sourcing. This is where you provide the market with an unmet need and agreement to purchase a good or service that currently might not exist, at a specified date in the future, on the assumption it can be delivered to agreed performance levels and cost.

Clearly this market research approach is potentially time consuming and may be beyond the reach of small sports organisations and event organisers. This is therefore a situation where a shared approach could be productive. If different federations and Olympic associations could come together with a common set of criteria and questions for the market, this could be extremely productive.

A good way to do this is to work with recognised industry associations in the sectors most relevant to your sourcing needs. Through such dialogue, it should be possible to examine how best to match up sustainability requirements with industry capability, and to alert a wide range of potential suppliers and partners to your areas of interest. The World Federation of Sporting Goods Industries (WFSGI) and the Association of Global Event Suppliers (AGES) are examples of industry association that may be engaged.

WHERE SUSTAINABILITY REQUIREMENTS
CAN'T BE MET IN THE CURRENT
MARKET, YOU MIGHT WISH TO CONSIDER
TAKING A "FORWARD COMMITMENT"
APPROACH TO SOURCING



EXERCISING DUE-DILIGENCE

You should expect all suppliers and partners to source the products and services they provide to you in an ethical and environmentally responsible manner. They should be open and willing to managing their sustainability risks and capitalising on their sustainability opportunities.

You should be looking to do business only with responsible companies who treat their staff and workers well, that understand the nature of the goods and services they are supplying and that recognise their responsibility to protect the environment and foster good relations with their local communities.

It is likely that many of your prospective suppliers and partners will already have some track record on sustainability, or at least they will claim to be familiar with this topic. However, it can be quite common for an organisation to promise much in terms of sustainability, but when you look closer, they are not doing much about it themselves.

Therefore, just because a company says its products/services are more sustainable, you should still carry out an appropriate level of due diligence to verify this as far as possible. You should always question if they can genuinely meet your sustainability requirements – particularly if something were to go wrong down the line (e.g. allegations of ethical wrongdoing in the supply chain). Or, for example, even though a company claims a product or material is technically recyclable, this might not actually not be able to happen in practice.

Ideally you should check all claims and ensure they are supported with independently verifiable information. This will enable you to evaluate all options with respect to sustainability before you make any decisions.

For regular sourcing deals, there are two key questions to consider:

- To what extent are you likely to have visibility over the category's supply chains?
- How far down the supply chain should you go in terms of interventions/requirements?

Risk and opportunity are the main factors to consider in deciding how far down the supply chain you go and whether you opt for a direct or indirect sourcing approach.

In general, you are likely to be sourcing from a large extended supply chain via suppliers/partners with whom you have a direct contract/agreement. In the main you are unlikely to have direct contractual relationship with the factories producing the items, let alone locations where raw materials originate (e.g. farms, fisheries, plantations, mines, quarries etc.). In these instances, you will need to rely on your suppliers/partners to ensure your requirements are implemented as far along the supply chain as is possible.

You might wish to appoint third parties and/or require the use of independently certified external standards to provide you with some additional assurance that things are as they should be.

The fact remains though, the bigger and more complex the extended supply chain, the harder it will be to assure from a sustainability point of view. This is challenging for any organisation to do let alone smaller sports organisations and event organisers. Again, this is where collaboration and knowledge sharing between sports organisations should help to overcome the difficulties of trying to do all this independently.

While the focus of sustainability due-diligence on suppliers of goods will be on the products and their manufacture, in the case of potential sponsors, your attention should also be on the reputation of the company/organisation in question.

Due-diligence can be carried out any point in the sourcing process – for example whilst engaging with the market (see above) or during the tender process or post contract (see below).



FINALISING THE SOURCING SPECIFICATION

Once you've determined the most appropriate approach to sourcing the goods or services you require, the next step is to finalise the specification. This is what describes your specific needs and requirements for the goods or services being bought.

There are essentially two types of specification:

- Functional Specification – sets out the functions that the goods or services are expected to fulfil, including the performance to be achieved; and
- Technical Specification – stipulates the technical characteristics of the goods and services (e.g. requirement to meet a specific standard).

It is important to ensure that sustainability requirements are fully integrated into the specification so that they are not seen as additional or optional. In this way they will be taken more seriously by the supplier/partner.

Your core sustainability requirements – which may be in the form of a Sustainable Sourcing Code (see above) – and requirements more specific to what you are sourcing should be fully reflected in the specification.

In some cases, it may also be appropriate to consider the use of more outcome-based specifications to encourage your suppliers/partners to be more innovative in how they meet your needs. For example, challenging a supplier/partner on how they might supply goods and services in a more sustainable way or require them to meet a predetermined standard or requirement (supplying FSC® certified timber, for instance).

A set of general sustainability questions needs to be included in tender documentation as a matter of course (see Appendix D for suggested questions). For priority categories you will need to also set out more specific sustainability questions related to your requirements. This will reinforce your due-diligence efforts and inform you how seriously the prospective supplier/partner treats sustainability (see above).

Remember, the specification is the starting point and sustainability requirements should be factored into all successive stages of the process (e.g. all key sustainability provisions need to be included in the actual contract) – see below.

IT IS IMPORTANT TO ENSURE THAT
SUSTAINABILITY REQUIREMENTS
ARE FULLY INTEGRATED INTO THE
SPECIFICATION SO THAT THEY ARE NOT
SEEN AS ADDITIONAL OR OPTIONAL



IDENTIFYING SUPPLIERS/PARTNERS TO INVITE TO TENDER

You may well have identified prospective suppliers/partners through market or industry research, you may already know them, or they've made themselves known to you.

Depending on the size and nature of the intended procurement, you may decide to go straight to tender, or you may consider a pre-qualification stage.

Pre-qualification

This involves vetting potential suppliers of goods and services to identify those with most potential to meet your requirements, including sustainability. This can be done in a number of ways – questionnaires, site visits, or presentations (to your organisation only or alongside other prospective suppliers as part of an industry day). The most widely used is a pre-qualification questionnaire particularly where there is a large number of potential suppliers/partners.

Questionnaires should be tailored to your organisation's key requirements. Questions may relate to previous experience, the capacity to supply, financial stability and competence and commitment to sustainability. With regards sustainability, identify key things you'd like to know of the supplier/partner itself and things more relevant to the goods and services they may be able to supply. This can be tested further at the tendering stage.

It is good practice to provide some feedback to all organisations you decide to not progress to the next stage. If this was because of sustainability this sends a clear signal to the market about how important this is to you.

Inviting organisations to tender

The next step is to agree a list of organisations that you feel can fulfil your requirements and issue a Request for Proposal (RFP) or Invitation to Tender (ITT) (there is no meaningful difference between these two terms and both are commonly used). This will set out your requirements and may take many different forms and range from informal emails to more formal and lengthy documents prepared with the involvement of key internal teams (e.g. Legal, Finance, Commercial, Communications, Sustainability, etc.).

It is good practice to issue an RFP or ITT to all prospective suppliers/partners regardless of whether this is for a traditional supply arrangement or for licensing or sponsorship. It is likely that your organisation only requires several quotes if the goods or services are anticipated to be above a certain monetary threshold. This is a sensible and practical way of focusing on major items and not getting over complicated on smaller purchases. However, there will be occasions when certain smaller items carry disproportionate risk, such as branded goods. For example, even small orders of branded clothing, gifts and giveaways can cause reputation issues if it is subsequently discovered there are ethical problems in the supply chain. You need to identify a way to manage these types of scenarios (see also section on Enabling Sustainable Sourcing).



A tender or proposal is a written offer from the prospective supplier/partner to execute work or supply goods or services at a stated price and under stated conditions – preferably in a way that meets your specification. It is crucial that all likely requirements for the goods and services are identified and included as part of the process.

A good RFP or ITT should include the following:

- contract definition, giving details of timescales for delivery and completion;
- a plain language summary of the key conditions of contract;
- description of the scope of work or services and specification;
- process for submitting the proposal or tender – including any parameters such as length of submission and timelines; and
- full terms and conditions.

You may consider including an indication of your budget. This is worth doing where you are confident you know the value of the contract to be awarded and you want to focus on finding the best proposal within that limit. It can help avoid unrealistic offers at either end of the scale.

Usually it is left to tendering companies to set their price, in the hope this will produce the most competitive offers. However, price is not always a reliable guide. The main objective of the process must be to ensure the “best fit” supplier/partner is selected to supply goods and services to meet your requirements. This “best fit” supplier/partner is likely to be sound commercially and financially, technically competent and performs the best overall on sustainability grounds.

The process should be fair, ethical and transparent. It is important to be clear on how you are going to evaluate responses received from prospective suppliers/partners. It is good practice to make organisations aware of the criteria being used for evaluation (see below).

Equally, no bidder should be given preference or assisted with clarification without the same advantage being given to others. All responses to questions should be made available to all respondents. If you meet with organisations during the tendering process this should only be for the purposes of clarification of points. Should you agree to relax or change the specification for one organisation then the same should be communicated to all others still in the process.

PRICE IS NOT ALWAYS A RELIABLE GUIDE.
THE MAIN OBJECTIVE OF THE PROCESS
MUST BE TO ENSURE THE “BEST FIT”
SUPPLIER/PARTNER IS SELECTED



EVALUATING AND ENGAGING SUPPLIERS AND PARTNERS

The goal should always be to do business with suppliers/partners who are best placed to deliver outstanding value for money. Sustainability must be one of a number of core elements that together represent what value for money means to your organisation.

It is important to have input to the evaluation process from all relevant teams, even if there is a designated person or department responsible for managing procurement.

Evaluation approach

Tenders/proposals may be evaluated in a variety of ways, but the main ones are:

- weighting – where sustainability is scored relative to other factors such as price, quality, function, etc; and
- pass/fail – where sustainability is assessed against the specification and key criteria.

Weighting is the commonest method but presents a problem. By scoring sustainability against a pre-agreed set of criteria the risk is that other factors will always outweigh sustainability considerations. Even where sustainability is a particularly important factor and is given a higher weighting than normal where this is very important – in practice sustainability is likely to always lose out to the other factors.

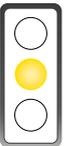
Sustainability factors essentially relate to impact and reputation risk. These are not issues that can be bargained and traded off against cost reductions. Therefore, if sustainability is truly important to your organisation, rather than base the assessment on a notional weighting it may be more advisable to opt for a clearer “go/no go” approach where prospective suppliers and partners can be rated Red, Amber or Green for instance (see example below). This assessment can be based on scoring, a qualitative judgement or a combination.

There may be situations with the “go/no go” approach where other “mission critical” considerations such as deliverability and time, force you to override the sustainability objection. In such cases this must be a conscious risk-based decision with the implications fully understood and approved by top management.

Whichever approach you adopt, it is important to maintain transparency throughout the assessment process. Ideally, a clear and documented audit trail should be in place. All decisions, and reasons for them, should be clearly documented with the involvement of key responsible parties.



Example of a "go/no" approach to evaluating tenders

	Evaluation response	Definition	Implication	Actions required
	Green	Supplier proposal is acceptable	Willing to approve contract award to this supplier	None
	Amber	Some sustainability issues with the supplier's proposal, but these can be resolved	Willing to approve contract award to this supplier, subject to specific conditions being met and written into contract	Detail the conditions that must be met by the supplier (e.g. clarification, provision of further evidence, required changes prior to contract start date)
	Red	Significant and insurmountable issues with the supplier's proposal, or supplier unwilling to address issues raised	Not willing to approve contract award to this supplier	Provide rationale for the 'Red' evaluation response, referencing specific details of the supplier's proposal that have raised concerns

Ideally you should be looking to appoint an organisation that is fully committed to sustainability and is perfect for your organisation in all other respects. In practice you are likely to be making compromises across a range of criteria. It might therefore be appropriate to appoint a supplier/partner that does not currently perform well on sustainability, but that has made a clear commitment to take action to mitigate any supply chain risks and/or be more proactive in capitalising on sustainability opportunities. The main consideration here is whether you believe the proposed supplier/partner has the capability, capacity and genuine commitment to improve and to meet your sustainability requirements. If that appears to be unrealistic, the risk is your organisation will have to step in should something go wrong and deal with the attendant issues, such as cleaning up pollution or facing public and media criticism.

While it is right that you should look to place more stringent sustainability requirements on your suppliers you should also be encouraging them to develop their own strategies and plans as well. Sometimes suppliers may respond that they cannot have their own strategies and plans because they need to be able to respond to other client needs. This is not a reasonable argument. It is perfectly possible for suppliers to develop their own sustainability strategies and plans to address their own priority issues, and to accommodate client specific requirements. In the event of a conflict in policy there can at least be an informed discussion.

Encouraging your suppliers to develop their own strategies and plans will enable them to build their own capability and capacity and be in a better position to respond to your needs in the long run.



In the event of a conflict between sustainability and commercial or functional requirements then this can be escalated for an informed business decision to be made (see also section on Enabling Sustainable Sourcing).

Additional considerations

Assessing supply chain aspects of suppliers/partners may not be robust enough during the pre-qualification or RFP/ITT stage for certain categories for spend. This will be the case for high-priority categories which have significant labour or human risks attached to them. In these instances, unless you have expertise in-house it may be prudent to require independent third-party audits to be undertaken prior to contract award or before any production happens. This can also be at the supplier's expense. A key factor here though is allowing enough time in the tendering process for additional due-diligence to be carried out if necessary.

It may not always be possible for suppliers/partners to demonstrate fully how they will meet your requirements in a proposal or tender. For instance, they may not know exactly what they are going to supply and from where it will be sourced. This is likely to be the case for licensing and sponsorship deals where the general parameters of supply will be known but the exact detail will be worked through during the relationship.

In these instances, it is important to make sure you evaluate the organisation as best you can as a "responsible" supplier/licensee/partner and ensure that there is flexibility built into contract to allow for subsequent approval of sourcing criteria. For example, post-contract award you can introduce a contractual process whereby all merchandise must be formally approved prior to any production taking place. This essentially introduces a two-stage approval process – firstly a decision on whether to appoint the licensee and secondly a decision later whether to approve the production of each item of merchandise.

Contract award

Once all negotiations are concluded the supplier/partner is formally awarded the contract, which should be approved by all necessary internal stakeholders. All sustainability commitments made by the tenderer must be written into contract to ensure they are contractually bound to deliver them. Internal teams must be informed of any sustainability aspects of the contract and deliverables that are relevant to their areas of work.

Consideration should also be given to promoting the key sustainability aspects of what has been agreed to in the contract across your organisation – and perhaps also externally (see also section on Communicating Sustainable Sourcing Efforts).

Unsuccessful suppliers/partners should be notified and provided with feedback including whether sustainability was a factor in this decision.

MANAGING THE PERFORMANCE OF SUPPLIERS/PARTNERS

Having well-thought-out supplier selection processes and getting requirements embedded into contract is the relatively easy part. Getting a supplier/partner to deliver fully in accordance with their obligations is an entirely different matter.

Contract management

Contract management is the principal way of ensuring that suppliers, licensees and partners deliver on their sustainability obligations. This represents a huge task for most organisations and one not just limited to ensuring that sustainability matters are included.

Your approach to contract management is an area that needs careful thought and should ideally be considered when prioritising on which spend areas to focus your efforts. The skill set required for effective contract management is



not the same as for the initial sourcing and contract negotiation, so you may consider some specific training support for key staff.

Even if you have awarded contracts for goods and services that fall within one of your sustainability priority spend areas, it may not be possible to “police” all of them. You may therefore need to further prioritise specific contracts that you consider present the greatest risk and opportunity for your sustainability programme.

For each priority contract you will need to agree a delivery and performance plan with the respective suppliers/partners. This does not need to be a detailed formal arrangement, but the main point is that you jointly agree how the contract will be managed including the review process and any monitoring and performance targets.

There are also tools and resources that may be useful to support the contract management process. These include management plans, independent social and environmental audits, certifications to external sustainability standards and proprietary specialist software that helps manage supply chain sustainability risks and opportunities. An example of the latter is the Supplier Ethical Data Exchange (Sedex) (see below below).

While suppliers/partners may be used to agreeing to a set of requirements during the tendering process, they may be less used to

delivering against them. In part this is because it can be quite common for the contracting company to not enforce their requirements.

There are several options to consider as a response to this challenge, for example:

- Agreeing for bonuses to be paid to the supplier/partner when certain targets and milestones are met.
- Agreeing fixed price contracts may be used as an incentive to reduce waste or improve efficiency.
- Linked to the above, agreeing to share any gains from improvements in sustainability performance linked to the supply arrangements – for instance revenue sharing for recycling.
- Introducing penalties or payment retentions for aspects of non-delivery – for instance excess waste.

Provided there are no conflicts with brand protection rules, you might also consider rewarding or recognising the efforts of suppliers/partners that achieve or exceed sustainability performance goals. For example, communicating their achievements on your website or via other channels such as social media (see also section on Communicating Sustainable Sourcing Efforts).

Regular review and feedback enables all parties to reflect on what is working well and where there are problems and opportunities for improvement. You should be open and receptive to hearing any concerns raised and benefiting from the suppliers/partners expertise.



THE SUPPLIER ETHICAL DATA EXCHANGE (SEDEX)



Sedex is a web-based platform for sharing data to help organisations manage ethical supply chain risk and streamline the process of engaging with multiple tiers of the supply chain. It is understood to be the largest platform for managing ethical supply chain data and aims to drive convergence in responsible business practices.

Through a secure online portal, Sedex members can share and manage information related to labour standards, health and safety, environment and business ethics. Members also have access to a range of resources and reports, including industry specific self-assessment questionnaires and risk analysis tools.

For buying organisations, Sedex offers an online system for collecting and analysing information obtained from the supply chain. The system enables reports to be run on a variety of ethical supply chain data and track suppliers' progress on key issues. In addition, a risk management tool helps companies to identify the likelihood of risk in their supply chain and prioritise resources to effectively manage this risk.

For suppliers, Sedex provides an effective way of sharing information with multiple customers. This helps to cut down on unnecessary paperwork, saving companies time and money. Suppliers complete a self-assessment questionnaire and can choose to share this with their customers along with other relevant ethical information such as audit reports, certificates and corrective action plans. This also helps reduce the need for multiple audits, allowing both parties to concentrate on making improvements.

Sedex members span over 150 countries and many sectors, ranging from small independent farms to some of the world's largest retailers and consumer brands.

For further information see: <https://www.sedexglobal.com/about-us/what-is-sedex/>

Grievances and dispute resolution

Consideration should be given to what provisions are in place or required in the event of a dispute. This could occur where a supplier appears not to have met a contractual requirement, or where you become aware of an issue with a service provider or at a site producing goods for you. Such issues may arise from allegations published in the media or by campaigning organisations, or even direct complaints from affected people.

Surprisingly it is common for contracts to be finalised without any thought to issues management and dispute resolution. Even with a sound procurement process, things can go wrong during the implementation phase of a contract, so it is important to be prepared. It is like insurance; you hope never to call upon it, but if you have to, you are glad it is there. Also, like insurance, the robustness of your grievance mechanism can vary in quality and it is worth seeking legal opinion on how effective it would be if it were ever to be relied upon in practice.



Establishing a Supply Chain Grievance Mechanism

Suppliers/partners should be expected to provide a grievance mechanism for workers in their supply chain and their wider stakeholders to raise workplace and other sustainability concerns. In practice, most concerns are likely to be related to human rights and labour standards.

As a minimum, this mechanism should be aligned with the key principles set out in the [UN Guiding Principles on Business and Human Rights](#). It should involve an appropriate level of management and address concerns promptly, using an understandable and transparent process that provides timely feedback to all those concerns without fear of retribution/retaliation.

It should also allow for anonymous complaints to be raised and addressed. The existence and scope of this mechanism must be clearly communicated to all workers and their representatives, and all workers must have equal access. The mechanism should not prejudice access to available legal channels and existing institutions judicial mechanisms or trade unions but offer additional opportunities for recourse and redress.

The characteristics of effective grievance mechanisms are listed below:

- **Legitimate** – enabling trust from stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes.
- **Accessible** – being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access.
- **Predictable** – providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation.
- **Equitable** – seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms.
- **Transparent** – keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake.
- **Rights compatible** – ensuring the outcomes and remedies accord with internationally recognised human rights.
- **A source of continuous learning** – drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms.
- **Based on engagement and dialogue** – consulting stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue on the means to address and resolve grievances.

Where a supplier/partner has failed to live up to expectations actions may include:

- Commissioning independent specialists to investigate the issue and identify root causes.
- Offering capability and capacity building support and assistance to help the supplier/partner address the issue.
- Working collaboratively with other organisations that have relationships with the same supplier/partner to incentivise improvements/action.
- Working with other organisations on a wider regional or industry basis to incentivise improvements/action.

Walking away from a supplier/partner relationship should always be the last resort after all other attempts have been made to resolve the issue.



RESOLVING ISSUES THROUGH NATIONAL CONTACT POINTS

Another option open to you is to point stakeholders to your [National Contact Point \(NCP\)](#) if you operate in or from a country that adheres to the [OECD Declaration on International Investment and Multinational Enterprises](#). NCPs provide a conciliation and mediation platform for resolving complaints that may arise in connection with implementing the [OECD Guidelines for Multinational Enterprises](#). Any interested party can file a complaint where they feel the guidelines have been breached by a multinational corporation. NCPs seek to resolve issues through amicable discussions to the satisfaction of the parties involved. If conciliation fails, complaints go through a process of mediation and if this ultimately fails the NCP issues a statement or makes a recommendation. Contact details for each country which has an NCP is available [here](#).

The establishment of grievance mechanisms is very much an emerging area and few organisations have put effective mechanisms in place. As such good practice in this area is still developing. With this in mind, it is advisable to seek independent specialist advice and support on this topic.

KEY ACTIONS

Basic Level	<ul style="list-style-type: none"> • New key contracts start to include sustainability criteria. • Sustainability is factored into the sourcing process for most high risk and 'quick wins' contracts.
Intermediate Level	<ul style="list-style-type: none"> • All new contracts include standard sustainability terms and supplemented with specific clauses where relevant. • Sustainability requirements are factored in at an early stage in the sourcing process for new priority-spend category contracts. • Steps are taken to encourage key suppliers/partners bound by existing contractual terms to implement sustainability requirements. • Contract management has been prioritised based on sustainability risk and opportunity. Assessment of supplier/partner capabilities and performance is supported by the use of internally developed tools and/or proprietary software.
Advanced Level	<ul style="list-style-type: none"> • Sustainability requirements are fully embedded in the sourcing process from the outset for all new priority-spend category contracts. • Most key suppliers/partners bound by existing contractual terms have implemented priority sustainability requirements. • A formal process exists for capturing and disseminating lessons learned within the organisation. • Grievance mechanisms for workers and wider stakeholders are in place for all key contracts. The organisation has its own grievance mechanism for workers and stakeholders to use where supplier/partner mechanisms fail. • Disposal and end of life management strategies are in place for all relevant contracts (see also Identifying Sustainable Sourcing Requirements above).

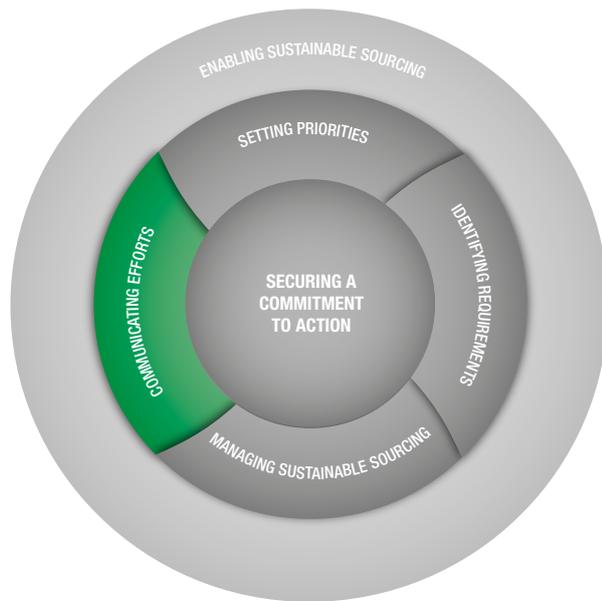


6

COMMUNICATING SUSTAINABLE SOURCING EFFORTS



COMMUNICATING SUSTAINABLE SOURCING EFFORTS



MAIN GOAL

To proactively communicate sustainable sourcing efforts to internal and external stakeholders and ensure your organisation is able to respond to issues and allegations.

RATIONALE

Taking a more sustainable approach to sourcing is an important step, but it is equally important to communicate what you are doing internally and externally. There are a number of reasons why this is important:

- Raising and maintaining awareness of sustainable sourcing activities and promoting achievements.
- Building stronger stakeholder relationships and partnerships with your suppliers/ partners and wider stakeholders.
- Generating positive media coverage.
- Receiving and responding to enquiries, concerns and other stakeholder feedback

including reacting to potentially negative media issues before they get out of hand.

Sustainability can be a complex subject to communicate. It may well be necessary to simplify messages and talk in a language people can relate to and understand. Ideally communication efforts should sit as part of your wider communications and engagement approach, however formal or informal this might be.

INTERNAL COMMUNICATIONS

Communicating on sustainable sourcing internally in a clear and consistent manner will help it become part of your culture. You should and leverage existing channels as much as possible (e.g. Intranet, newsletters/e-briefings, internal events, workshops or roadshows, etc). Identifying people in the organisation who are supportive of sustainability is a very good way of promoting your sustainable sourcing efforts. It is also important to understand who the key influencers are within your organisation to ensure they understand 'why' sustainable sourcing is so important.

Key questions to ask when setting out how you will approach internal communications include:

- How does sustainable sourcing fit into your wider internal communications plans?
- What sustainability information should be circulated internally, when and to whom?
- Are employees informed of agreed external sustainable sourcing messages/lines?
- How is sustainable sourcing information communicated to employees and suppliers?
- How sustainable sourcing achievements communicated internally?
- How do you encourage feedback from employees and suppliers?



EXTERNAL COMMUNICATIONS

Communicating externally to your suppliers/partners and wider stakeholders (e.g. others in the Olympic Movement) sends an important message about how you do business. It will help to influence your suppliers/partners practices as well as help build a positive profile for your organisation.

How you decide to approach this will depend on your organisation's position on external communications. This might include publishing information on your website, preparing stakeholder newsletters, leveraging social media and writing blogs, issuing press releases or publishing a periodic sustainability report.

Key questions to ask when setting out how you will approach external communications include:

- How does sustainability fit into your wider external communications plans?
- Have key external stakeholders been identified? What information are they interested in?
- How is key sustainable sourcing information communicated to key stakeholders?
- Who is authorised to speak to the press/media about sustainability? Have they been appropriately trained?
- How are external enquiries on sustainability matters received and managed? Are the right people informed or consulted internally?

TRANSPARENCY

Today's increasingly digital world has put us in an era dominated by a need and demand for greater transparency. Technological innovations and changing consumer and social expectations mean that we need to evolve our standards of transparency. You should be looking to work with your suppliers/partners in an open, constructive and transparent manner – and you should expect them to do the same.

In this spirit, suppliers/partners must be willing to provide information about the sustainability credentials of their goods and services including full details of all sites used (e.g. factories). If necessary, this should be reflected in contract as a condition of supply.

Although this is clearly a decision for your organisation to make, public disclosure of key supply chain information is fast becoming the norm. Because of sustained stakeholder pressure many global brands are publishing the names and locations (site level) of all their first-tier manufacturing sites and some are going further. Such pressures are commonly applied to high profile brands, which have included major sports organisations and events.

CLAIMS AND DECLARATIONS

In recent years there has been a surge in claims about the sustainability attributes of products or services. Claims cover a wide array of activities and take many forms:

- suggestive unspoilt landscapes or wildlife;
- direct claims in text (e.g. 'this service is carbon-neutral' or 'this is a zero-emissions event' or '100 per cent recyclable'); or
- specially developed symbols and labels.

Such claims can be made in advertisements, direct marketing materials, on websites or directly on product packaging. Claims can be on a specific issue (e.g. 'organic') or about the characteristics of inputs (e.g. 'PVC-free'). They might be third party labels (e.g. FSC® certified or Marine Stewardship Council (MSC) certified) or industry or multi-stakeholder schemes (e.g. Roundtable on Sustainable Palm Oil or the Better Cotton Initiative). They might also be a strategic commitment from the company – to develop more sustainable products or to donate a percentage of profits to a worthy charitable cause, for instance.



The proliferation of claims and labels can be incredibly complicated and can result in a degree of uncertainty and confusion about which claims or labels to trust and how best to make an informed decision. For most criteria, labels or certifications exist that may provide you with additional guarantees on the sustainability credentials of the product or service. However, not all claims are equal, and the systems behind claims are diverse. For example, you can purchase coffee which is Rainforest Alliance certified, Fairtrade certified or Organic certified – all these labels are essentially attempting to address different issues (or ‘hotspots’) in the value chain.

Some claims and labels may seem impressive but are in fact not addressing issues relevant to the product or service in question. Many may lack enough independent verification from reputable sources. A credible sustainability claim is clear, accurate and relevant, and can be backed up by systems that are transparent and robust. For example, if a supplier says their service has a 25 per cent lower carbon footprint than their closest competitor, they should be prepared to provide independent evidence to support such claims.

The ISEAL Alliance has developed some useful guidance called ‘Challenge the Label’

which aims to help buyers distinguish between credible and non-credible claims. The guidance sets out four key questions:

1. What product or service does the claim cover?
2. What type of claim is being made?
3. What sustainability attributes does the claim cover?
4. How is the claim verified?

In summary, all sustainable sourcing claims and declarations you make or by your suppliers/partners, must be legal, fair, honest and transparent and must be verifiable (i.e. they must not be misleading and able to be supported by relevant data that is subject to verification and from reputable sources). They also need to be sensitive to the views and needs of stakeholders. For example, products marketed as recyclable need to be able to be reclaimed for recycling via end users, rather than the claim being based on a technicality.

The use of third-party logos (e.g. FSC®) is likely to be strictly controlled so the necessary licenses and permissions must be obtained from the relevant certification or licensing body prior to use. For example, the FSC® requires organisations wishing to promote their use of FSC® certified finished products to have a trademark licence.

KEY ACTIONS

Basic Level	<ul style="list-style-type: none"> • Sustainable sourcing commitments and requirements are communicated internally and to relevant suppliers. • The organisation's website expresses a general commitment to sustainable sourcing.
Intermediate Level	<ul style="list-style-type: none"> • Key sustainable sourcing messages and achievements are incorporated into ongoing communication channels with key stakeholders, such as the wider Olympic Family, press/media and civil society. • The organisation's website outlines the sustainable sourcing vision, strategy and goals it has committed to achieve.
Advanced Level	<ul style="list-style-type: none"> • Top management communicates sustainable sourcing goals and strategies in communications with external stakeholders. • The organisation's website includes information on its sustainable sourcing performance and steps have begun to be taken to engage suppliers/partners in collecting and disclosing sustainability information of interest to key stakeholders.



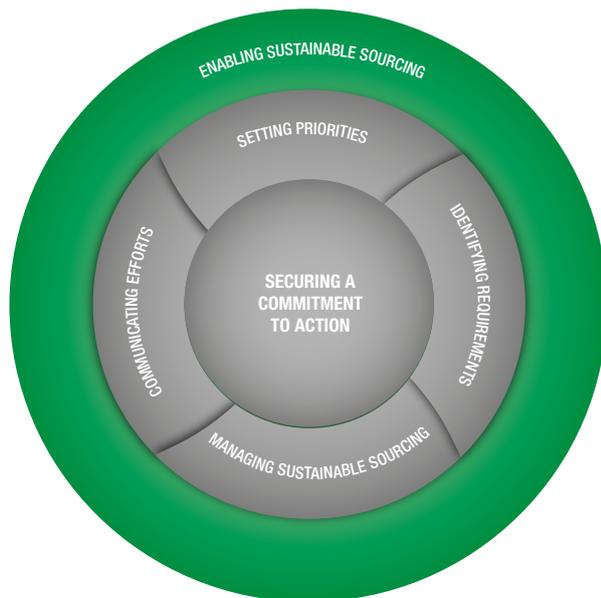
7

ENABLING SUSTAINABLE SOURCING





ENABLING SUSTAINABLE SOURCING



MAIN GOAL

To ensure organisational governance, culture, behaviours, capability and capacity are fully aligned with and support sustainable sourcing efforts.

This Guide has focused on the practical aspects of establishing and implementing an effective sustainable sourcing programme. However, this is not something that can be done in isolation. To do this well requires organisation-wide support and commitment, not just to sustainable sourcing, but also to sustainability as a whole. We therefore recommend you refer to the first of the “Sustainability Essentials” guides: [“Introduction to Sustainability”](#). This highlights the importance of top management commitment, effective governance procedures and a management systems approach to integrating sustainability into your organisation’s ways of working.

ORGANISATIONAL READINESS

Sustainable sourcing needs to ultimately be embedded across your organisation, cutting across silos, organisational structures and hierarchies, with sourcing activities aligned with strategic priorities. Your organisation’s prevailing culture and management and governance structures will either help or hinder your efforts.

There are several questions you may wish to reflect on as you look at the culture, management and governance of your organisation:

- Do you have the right culture and values in place in your organisation to deliver your sustainable sourcing strategy?
- Is there an appropriate level of governance in place in terms of processes, lines of accountability, resources and reporting?
- Have you fully defined roles and responsibilities of relevance to sustainable sourcing?
- How will you introduce your sustainable sourcing strategy across the organisation: as a limited pilot project, in phases, or a complete package?
- Do your people have the necessary knowledge, experience and motivation to implement the sustainable sourcing strategy, or will you need specialist training support, or to recruit additional qualified staff?

This form of readiness checking will help you to determine roles and responsibilities, the resources and other forms of support you will need for implementing sustainable sourcing, with whom you will need to engage and communicate and how best to introduce the new approach.



ROLES AND RESPONSIBILITIES

As with any sustainability programme, this must be seen as a shared endeavour across the organisation. It is not the domain of a single central figure or department. Of course, it is important for sustainable sourcing to be coordinated and applied consistently, but this must be in the context of a broader framework that allows for input from different teams.

This means ensuring there is a clear set of processes and lines of accountability. At the simplest level you could nominate “sustainable sourcing champions” in each budget-owning team. Their role will be to promote the initiative and to support their colleagues in implementing the correct processes. They will be the initial “go-to” people for advice.

For larger organisations with multiple departments all requiring budget for their work, it is best to have a centralised procurement department that can oversee management of the sourcing processes and ensure decisions are made in the best interest of the organisation as a whole, rather than focusing solely on individual team requirements and budgets. In smaller organisations, it is likely

that top management will ratify all significant sourcing decisions directly, thereby providing a level of consistency.

If your organisation also has licensees and sponsors, and these are managed via different departments to the procurement team, it will be essential to ensure effective coordination between the three areas. If it is discovered that there are different standards and requirements being applied to suppliers and partners, this will at best cause confusion and potentially resentment by those to whom the higher standards and requirements are being demanded.

Attention should also be given to how you would handle situations when things don't go to plan. Good risk management should include provision for change management and escalating issues for top management decision. It is surprising how often such contingency planning is not anticipated and when issues do arise, they become instant crises. Sourcing and contract management are complex undertakings and there always will be variations and situations to address. By having a clear process in place that is understood by all managers in the organisation, you will be well placed to handle issues whenever they arise.

GOOD RISK MANAGEMENT SHOULD
INCLUDE PROVISION FOR CHANGE
MANAGEMENT AND ESCALATING ISSUES
FOR TOP MANAGEMENT DECISION



RESOURCES

The success of your sustainable sourcing strategy will be heavily dependent on:

- How competent, engaged and motivated your staff and supply chain are.
- How additional resources are able to be leveraged internally and/or externally.

In allocating resources for your sustainable sourcing programme, it is important separate out one-off start-up costs (investments) and long-term operational costs. Investment costs are likely to relate to:

- specialist consultants;
- specialist staff hires;
- training courses;
- proprietary tools;
- supply chain audit and assurance arrangements; and
- establishing grievance mechanisms.

These additional resources need not always come at a direct cost to your organisation. For example, can you leverage additional support and resources from partners and other organisations such as trade associations that are working on similar initiatives to help you through the “learning curve”? There are several other avenues that could also be explored in this respect, such as:

- Leveraging government resources for advice, training and awareness.
- Participating in collaborative programmes with other organisations in the Olympic Movement, wider industry or suppliers to share knowledge and technology.

- Participating in industry or trade forums to identify and address common issues, share experiences, engage external resources, and so on.
- Exploring whether there are any sponsorship opportunities of relevance to sustainability or whether you are eligible to apply for any sources of grant funding.
- Identifying and reviewing existing sustainable sourcing-specific education initiatives such as lessons learned case studies, webinars, workshops and so on.
- Identifying what support your stakeholders may be able to provide at no or limited cost (e.g. provision of specialist secondees) particularly if there is a mutual legacy benefit.

Once it is established and operating as intended, sustainable sourcing itself should not require significant ongoing resource, provided it is properly part of your day-to-day management system – it is a process, not a budget line. In time you should begin to realise cost savings and see other benefits through operational efficiencies and positive stakeholder relations.

Occasions when additional costs might occur in operation are when issues arise requiring special investigations, audits and implementation of grievance mechanisms. These can be budgeted in contingency funds, as they might not be required, but if cases do occur, it will be essential to act promptly and not to have to wait to secure budget.



INTRODUCING YOUR SUSTAINABLE SOURCING PROGRAMME

You will need to think about how and when you will introduce your sustainable sourcing programme. You will be heavily dependent on your supply chain, which is where most of the work will be done.

Adopting a high standard too early may be counterproductive. It may be worth exploring the use of such standards with certain suppliers or categories first – for example as a pilot. This does not necessarily need to be as part of the tendering process; it may be that you have a strong relationship with an existing supplier that is willing to work with you to trial a new

approach. By doing this, you can learn more about how easy or difficult it is to implement certain requirements and how receptive the wider supply base will be.

It may also be worth starting with a small number of selected priority categories before rolling out the entire programme. Start with easy or quick wins that will give you some initial traction internally and build relationships with your most engaged or strategically most important suppliers/partners. If you do start small, do consider scalability from the outset. Any action or activity should have the potential to be scaled up so that it can be applied to your day-to-day sourcing practices.

ADOPTING A HIGH STANDARD TOO EARLY
MAY BE COUNTERPRODUCTIVE. IT MAY BE
WORTH EXPLORING THE USE OF SUCH
STANDARDS WITH CERTAIN SUPPLIERS OR
CATEGORIES FIRST AS A PILOT



KEY ACTIONS

<p>Basic Level</p>	<ul style="list-style-type: none"> • A review of sustainable sourcing efforts and performance takes place at least once a year and is communicated to top management. • Sustainable sourcing 'champions' have been identified and key individuals with responsibility for sourcing goods and services have received basic training in sustainability.
<p>Intermediate Level</p>	<ul style="list-style-type: none"> • Appropriate resources (staff and budget) are assigned to design and execute the sustainable sourcing strategy. • All individuals with responsibility for sourcing goods and services have received basic training in sustainability. • Sustainable sourcing is included as part of employee induction programmes and in key recruitment competencies and selection criteria. • Appropriate governance is in place and the organisation's sustainable sourcing strategy and performance is formally reviewed at least once a year with top management.
<p>Advanced Level</p>	<ul style="list-style-type: none"> • Accountability for sustainable sourcing is formally assigned to a member of top management. • Appropriate resources are assigned to support evaluation, reporting, and continuous improvement processes. • Reward and recognition is linked to achievement of sustainable sourcing objectives for key individuals. • The organisation participates in industry or multi-stakeholder collaborative initiatives that aim to drive more sustainable outcomes in the wider market. • Key suppliers/partners recognise they must continually improve their sustainability performance to keep your business. • Your organisation's sustainable sourcing strategy and performance is formally reviewed at least every six months with top management with input from key external stakeholders.



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APPENDICES

- APPENDIX A: Sustainable sourcing issues
- APPENDIX B: Spend category and issues matrix
- APPENDIX C: Template sustainable sourcing code
- APPENDIX D: Example sustainability due-diligence questions
- APPENDIX E: References and guidance



APPENDIX A SUSTAINABLE SOURCING ISSUES

The range of potential issues to consider when sourcing goods and services is huge and must be looked at holistically. This appendix provides a non-exhaustive list of issues and examples of actions to consider. Actions taken to address one issue should not adversely affect another. It can be read alongside the prioritisation matrix in Appendix B.

Alongside the author's own knowledge and expertise, several sources have been used to compile this appendix including the [UN Guiding Principles on Business and Human Rights](#), the [UN Global Compact](#), [OECD Guidelines for Multinational Enterprises](#), [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflicted-Affected and High Risk Areas](#), [Global Reporting Initiative](#), [SDG Industry Matrix](#), [Global Social Compliance Programme Reference Tools](#), [Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security](#), [ISO 26000: 2010 – Guidance on Social Responsibility](#), and sustainability insights created by [The Sustainability Consortium](#).



ISSUE	DESCRIPTION	EXAMPLE ACTIONS
CONSUMERS		
Consumer Data Protection and Privacy	Privacy is a fundamental human right recognised in the UN Declaration of Human Rights, the International Covenant on Civil and Political Rights and in many other international and regional treaties. Consumer data protection and privacy must be safeguarded by limiting the types of information gathered and the ways in which such information is obtained, used and secured.	<ul style="list-style-type: none">• Collection of personal data associated with supply of goods and services is done in accordance with the law and the types of information gathered and the ways in which such information is obtained, used and secured is limited.• Suppliers and partners have trained key personal responsible for data protection and privacy in relevant policies and processes. This includes the conduct of personnel (e.g. security) towards third parties right to privacy and the potential risk for inappropriate or excessive force or other violations of human rights.
Consumer Health and Safety	Finished goods must meet all agreed or legally required standards for consumer health and safety, including those pertaining to health warnings and safety information. Negative residual health impacts of any production or of goods and or services supplied must be eliminated to the extent practicable. This includes communication of proper usage and disposal instructions in a clear and accessible manner. Materials and ingredients used to create goods may contain substances such as heavy metals or other chemicals that pose a risk to human health or the environment when used. Suppliers and partners should work with their supply chains to ensure safe materials and ingredients and finished goods by excluding hazardous materials and ingredients from their products, understanding their raw materials, assessing alternatives when needed, and routine testing.	<ul style="list-style-type: none">• All goods and services are produced and supplied in accordance with relevant consumer protection legislation including that they are safe for users and other persons, their property and the environment under normal and foreseeable conditions of use. Where safety legislation is not considered adequate, steps should be taken to go beyond this where there is evidence that higher requirements would achieve better protection.• Safety risks associated with goods and services have been identified, evaluated and mitigated through inherently safe design, protection devices and information for users. Safety information supplied with goods and services takes account of different consumer needs, understanding and capability.• Use of chemicals in connection with goods and services that are harmful to human health and the environment are avoided wherever possible. Chemical ingredients should be fully disclosed. <p>NOTE: See also Chemicals, page 67.</p>



ISSUE	DESCRIPTION	EXAMPLE ACTIONS
MANAGING THE SUPPLY CHAIN		
Anti-Corruption	Organisational dealings with suppliers and wider partners must be conducted ethically and responsibly. Corruption may manifest, for example, in bribery (soliciting, offering or accepting a bribe in money or in kind), fraud, money laundering, embezzlement, concealment or obstruction of justice. Steps should be taken in collaboration with suppliers and wider partners to prevent and combat corruption in all its forms.	<ul style="list-style-type: none"> • All sourcing decisions are done in accordance with the law and your organisation's anti-corruption policies and all suppliers/partners are appointed on these terms. • Processes are in place to identify corruption risks in the supply chain and appropriate due-diligence is in place to ensure risks are mitigated. • Steps are taken to raise awareness, support and train individuals who are responsible for sourcing representatives and contractors and encourage the reporting of unfair treatment and violations with your organisation's anti-corruption policies.
Grievance Mechanisms	Stakeholders, particularly those who are more vulnerable, within a suppliers/partners' supply chain should be able to raise issues or concerns and seek remedy. The supplier/partner should facilitate this by establishing an accessible and transparent grievance mechanism through a range of channels. The mechanism must also allow for anonymous complaints to be raised and addressed. The existence and scope of this mechanism must be clearly communicated to all workers and their representatives, and all workers must have equal access.	<ul style="list-style-type: none"> • Suppliers/partners are encouraged to provide a grievance mechanism for workers (and their organisations, where they exist) which meets the requirements of the UN Guiding Principles on Business and Human Rights to raise workplace concerns without fear of retaliation/retribution. • Suppliers/partners are encouraged to publicly report on the use and performance of their grievance mechanisms.
Supply Chain Transparency	Addressing many of the environmental and social challenges within supply chains requires cooperation among companies at different stages of the supply chain. Suppliers of finished goods should identify the locations used in the production and supply of products and engage in initiatives that improve transparency, communication, and data sharing. Chain-of-custody and other data sharing systems and initiatives can help improve transparency about where items are being sourced, and suppliers/partners can work together to address common issues, such as energy, water, chemicals, worker health and safety, and labour rights.	<ul style="list-style-type: none"> • Suppliers and partners are contractually required to disclose the locations of all sites used in the production and supply of goods and services fully to you. • Suppliers and partners are contractually required to provide information about a product or services social, environmental and ethical credentials on request. • Suppliers and partners are asked to demonstrate the steps they are taking to advance sustainability within their own supply chain (e.g. efforts made to trace from suppliers to subcontractors back to raw materials suppliers).



ISSUE	DESCRIPTION	EXAMPLE ACTIONS
USE OF RESOURCES		
Animal Health and Welfare	<p>Animals reared for food or are used for non-food products (e.g. wool) may experience issues related to animal welfare. Animal derived products or raw materials should be sourced from suppliers/partners with comprehensive management plans, including programmes, that ensure animal welfare for animals. Plans or programmes should include practices that avoid painful procedures; ensure access to adequate housing and proper nutrition; require proper handling, proper transportation, and humane slaughter methods, such as pre-stunning in case of food products; and promote good health in ways that are appropriate to the animal. Depending on local, legal, and regulatory requirements, animal testing may be required to substantiate the safety of ingredients and final formulations of certain products. Suppliers/partners should continue to support the development and validation of alternative testing methods, to prevent unnecessary animal testing of personal care and cleaning products.</p>	<ul style="list-style-type: none"> • All sourcing of animal derived sources for food items (meat, fish/shellfish, dairy, eggs) must be done in full compliance with all relevant legislation of relevance to animal health and welfare and standards are in line with the internationally recognised ‘Five Freedoms’ Framework. • Use of national foundation farm assurance/welfare standards is required for all animal derived sources where available. • Suppliers and partners are asked to demonstrate the provenance of animal derived sources and how animal health and welfare has been considered as part of sourcing decisions. • Suppliers and partners are asked to demonstrate the steps which have been taken to ensure high standards of animal health and welfare when sourcing materials of animal origin for non-food items (leather, feather/down, wool, cashmere, etc.). • Ingredients in cosmetic and household type products (e.g. cleaning or personal care items) supplied have not been tested on animals.
Biodiversity and Natural Capital	<p>Sourcing of raw materials can significantly impact flora and fauna species including through the spread of invasive species; sourcing endemic, threatened or endangered species; and contributing to biodiversity loss through unsustainable practices. Suppliers/partners should adopt sustainable agricultural, fishing, and forestry practices including aspects related to animal welfare, for example, as defined in internationally recognised standards and certification schemes. Approaches that threaten the survival or lead to the global, regional or local extinction of species, or that allow the distribution or proliferation of invasive species to be avoided.</p>	<ul style="list-style-type: none"> • Raw materials of natural origin must be sourced legally and products or packaging supplied/used do not make use of any fur, skin, feathers, food or food ingredients of plant or animal origin (including fish) of any species specified in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Appendices and in the International Union for Conservation of Nature (IUCN) Red List of Threatened Species. • Incorporate protection of natural habitat, wetlands, forest, wildlife corridors, protected areas and agricultural lands as part of event planning and operations. • Encourage the adoption of sustainable agriculture, fishing and forestry practices including aspects related to animal welfare.



ISSUE	DESCRIPTION	EXAMPLE ACTIONS
Chemicals	<p>Chemicals can be used during manufacture and, if released into the environment, can adversely affect human health and the environment. These effects can be mitigated by programmes, practices and technologies that optimise chemical usage in combination with systems to recover waste produced during production.</p> <p>Some formulations or materials (e.g. plastics) can contain chemicals that, depending on use and exposure, may be harmful to humans on contact or if consumed. Suppliers/partners should determine whether such chemicals are present in their goods and strive to reduce, eliminate or restrict their use. They should work with their supply chains to exclude harmful chemicals from their products, understand what risks may be present and assess alternatives.</p>	<ul style="list-style-type: none"> • All chemicals supplied directly or indirectly required to meet all relevant legislation regarding chemical use and disposal. • Suppliers/partners are encouraged to use substances and materials that represent a low risk to human health and the environment. Where practicable, they are asked to seek to use such substances and materials in connection with the products and services they supply. • Suppliers/partners have policies and restricted or prohibited substances requirements which go beyond the law • Supplier/partners are asked to demonstrate how they adopt the precautionary principle and substitute hazardous chemicals with less harmful alternatives or adopt different ways of working which limit the use of hazardous substances/materials (e.g. chemical free cleaning methods).
Climate and Energy	<p>Production of goods can consume significant amounts of electricity and energy, leading to greenhouse gas emissions. Items should be sourced from suppliers/partners that help abate these impacts by measuring, tracking and reporting energy use and greenhouse gas emissions, with a focus on reduction. They should also perform preventative maintenance on equipment, replace inefficiency equipment, use renewable energy sources and encourage energy efficient behaviours throughout their operations.</p>	<ul style="list-style-type: none"> • Categories of goods and services which contribute most to the your organisation's greenhouse gas emissions (i.e. carbon footprint) have been identified. This should include consideration of embedded carbon associated with goods and services. • Steps are taken to measure, reduce and report climate exposure and progress on actions to combat climate change taken by those suppliers/partners with greatest associated carbon emissions. • Specify the use of equipment and infrastructure which meets recognised/best practice energy efficiency standards wherever possible. This includes promoting innovation in product development that reduces energy consumption and improves energy efficiency in product use. • Climate adaptation needs of your organisation/sport have been considered as part of key sourcing activities and decisions.



ISSUE	DESCRIPTION	EXAMPLE ACTIONS
Disposal and End-of-Life	Items no longer useful or wanted need to be collected and disposed of responsibly to ensure that the product and valuable components and materials are available for further reuse or recycling. Materials and components should be compatible with end of use/life management arrangements. Suppliers/partners should ideally participate in stewardship programmes and engage downstream partners to ensure products are responsibly managed at the end of the useful life.	<ul style="list-style-type: none"> • Data is collected and reported on the amount of general and hazardous waste generated and the destination of each waste type. • All waste is required to be managed and disposed of in full compliance with all relevant legislation and requirements are communicated to suppliers and partners. • All waste is proactively managed according to the waste hierarchy where waste prevention and recycling is prioritised over disposal (i.e. landfill and incineration) including training of key staff and contractors on the correct segregation and handling of different types of waste. • Suppliers/partners are required to proactively reduce waste and supply items which can be reused or easily recycled and have clear plans for how assets will be managed when they are no longer required. This includes take-back arrangements. • Suppliers and partners are required to send no waste directly to landfill or incineration and the amount that is sent to energy recovery/waste to energy technologies is minimised (<20% of overall total waste produced). • Suppliers/partners encouraged to offer innovative solutions in line with zero-waste/circular economy principles.
Food Waste	Excessive food surplus (edible) or waste (inedible) may be generated because of producing too much or over-ordering or because of poor storage or processing. Often this is disposed of in landfills, leading to a waste of resources and food. Efforts should be made to reduce any surplus and spoilage as well as looking at alternatives to landfills, such as redistribution to community organisations or charities, use as animal feed or use for energy recovery.	<ul style="list-style-type: none"> • Data is collected and reported on the amount of food waste generated and where it goes. • All food waste is required to be managed and disposed of in full compliance with all relevant legislation and suppliers and partners are required to proactively reduce the amount of food waste that is produced. • Steps are taken to redistribute edible surplus food to workforce or community programmes and no food waste is sent directly to landfill. • Contractual food waste reduction targets have been established and actively monitored and reported against to workforce and key stakeholders.
Material Efficiency	The production of goods depletes both energy and material resources, and their improper disposal can represent a loss of otherwise reusable materials, and potentially releases pollutants into the environment. Impacts should be minimised by designing items that optimise durability whilst using the least possible amount of material overall. Efforts should be made to specify material that is reusable and recyclable and/or comes from reused and recycled sources.	<ul style="list-style-type: none"> • Encourage redesign of products to reduce the amount of material needed, or substitute materials or processes that are less energy intensive to produce or deplete less non-renewable resources. • Products and packaging are required to be designed so that they can be easily reused, repaired or recycled and if possible, offering or suggesting confirmed recycling services in the territory/country. • Encourage production and supply products and materials which have been made reused or recycled material. • Encourage supply and use higher quality products with longer product life.



ISSUE	DESCRIPTION	EXAMPLE ACTIONS
Packaging	Packaging design should be optimised to ensure that packaging performs its essential functions of containment and protection while minimising use of materials, energy resources and environmental impacts across the life-cycle of the packaged product. Under-packaging and over-packaging can both lead to increased impacts. These impacts may be mitigated by using more efficient-manufacturing, selecting recyclable and sustainably managed renewable materials, and encouraging reuse and recycling.	<ul style="list-style-type: none"> • Use of packaging is required to be avoided wherever possible and, where it is needed, its use is optimised and can be reused or recycled within the territory/country. • Packaging is required to be produced and supplied which has been made from reused or recycled material or comes from verified more sustainable sources. • Supply/use of single-use plastics is prohibited or heavily restricted. • Supply/use of oxo-degradable plastics is prohibited. • Supply/use of compostable materials is only permitted where materials cannot be recycled and composting facilities in the territory/country will accept such materials. • Introduce take-back arrangements for packaging materials which are difficult to handle or recycle.
Pollution	Various production processes can result in emissions that pollute the land, water and air. Suppliers/partners should implement best available practices and technologies to avoid or mitigate such impacts.	<ul style="list-style-type: none"> • Categories of goods and services with inherent pollution risks (fuel usage, air emissions, noise/odour) have been identified and implement measures to reduce and minimise direct and indirect pollution (e.g. minimum standards for vehicles, requirement for temporary generators to have arrestment for particulate emissions, secondary containment for fuel storage tanks, etc.). • Measure, record and report on significant sources of pollution and reduction of pollution, water consumption, waste generation and energy consumption. • Require suppliers/partners supplying goods and services with inherent pollution risk to put in place environmental accident and incident response arrangements (e.g. spill response).
Product Efficiency	Significant amounts of energy and water may be used when using energy and water using products. To reduce these impacts, equipment must be designed to be as energy and water efficient as possible and ensure instructions for proper usage are clear and accessible.	<ul style="list-style-type: none"> • Categories of goods and services with the potential to use significant energy and/or water when utilised have been identified. • Energy and water using products meet recognised/best practice energy and water efficiency standards. • End users are provided with information on the products energy or water efficiency features to ensure correct and proper use.



ISSUE	DESCRIPTION	EXAMPLE ACTIONS
Sustainable Fish and Shellfish	Harvesting fish and shellfish faster than they can replenish contributes to resource depletion, reduces biodiversity, and impacts the climate. Fishing and farming operators can use certifications and implement programmes, practices, and technologies to reduce impacts on resources, biodiversity, and the climate. Suppliers/partners should be selected that are working to improve sustainability and adopt standard guidelines from certification schemes for fish and shellfish.	<ul style="list-style-type: none">• All sourcing of fish and shellfish must be done in full compliance with all relevant legislation and a Responsible Fish and Shellfish Sourcing Policy is in place and implemented.• Fish and shellfish sourced must not include species that are listed on the Convention on International Trade in Endangered Species (CITES) or the International Union for Conservation of Nature (IUCN) Red List as Critically Endangered, Endangered, Vulnerable or Near Threatened.• Wherever possible, all wild-caught and farmed fish and shellfish comes from independently certified sources (e.g. Marine Stewardship Council or Aquaculture Stewardship Council certified sources) or from sources which have made a public commitment to become certified within an agreed timescale (e.g. Fishery Improvement Project).
Sustainable Forestry and Deforestation	Unsustainable sourcing of wood, or wood-derived materials, can result in deforestation, decreased biodiversity, land and water degradation and climate change impacts. When sourcing wood and wood-derived materials sourcing policies should be adopted which monitor progress on zero-deforestation commitments. Sourcing policies should also promote protection of high conservation value forest habitats, which have unique plants and animals. Requiring third-party audits or certifications based on site-specific observations can also reduce risks of deforestation. The other key forest risk commodities are: paper, palm oil, cattle products such as leather and beef and soy.	<ul style="list-style-type: none">• All legal obligations have been met with regards the sourcing of wood and wood-derived materials (e.g. EU Timber Regulation) and all spend categories which may be at risk of using controversial or illegal forest sources have been identified.• A Wood Sourcing Policy, which covers as a minimum wood and wood-derived materials, is in place and fully implemented.• Wood and wood-derived materials used in connection with goods and services have been confirmed to have at least been legally harvested.• Preferably, all wood and wood derived materials has been responsibly sourced, i.e. is Forest Stewardship Council (FSC) certified; or is Programme for the Endorsement of Forest Certification (PEFC) certified; or comes from independently verified reused or recycled sources; or has been determined as otherwise protecting forests and communities.• Where relevant, a comprehensive set of policies covering all key forest risk commodities (e.g. beef, leather, palm oil and soy) are in place and implemented.



ISSUE	DESCRIPTION	EXAMPLE ACTIONS
Transportation and Logistics	<p>Goods are transported by land, sea and air. Suppliers/partners should select carriers that use fuel-efficient modes and vehicles to reduce greenhouse gas emissions and emissions that impact local air quality such as particulates and nitrogen oxide (NOx). Fuel efficiency can be addressed through preventative maintenance, use of alternative fuels and selection of optimal vehicles, routes and transport modes. Transportation efficiency can also be improved by maximising load capacity in vehicles and optimising the packaging of transport vehicles. Transportation of goods within a supply chain can have negative impacts on communities, including vehicle accidents and health risks in areas of heavy traffic, noise from distribution centres and hubs, and air and water pollution. Transport carriers should engage with local communities in planning and risk management, and work with vehicle manufacturers to improve vehicle design to reduce noise and emissions.</p>	<ul style="list-style-type: none"> • Categories of goods and services that contribute most to your organisation's transportation environmental and social impacts have been identified. This should include transportation of products and materials and people and ideally look to set baseline emission measurements including anticipated fuel usage. • Steps are taken to measure, reduce and report transportation impacts and progress on actions taken by suppliers/partners with greatest associated impacts. • Suppliers/partners required to optimise transport efficiency and/or minimise transport distances wherever possible. • Where possible, suppliers and partners asked to supply vehicles which meet recognised/best practice air quality emission standards and have the lowest practicable real-world tailpipe CO₂ emitted over their lifetime (ideally also the lowest possible Well-To-Wheel CO₂ emissions) and demonstrate the best achievable fuel efficiency/economy. • Wherever possible, vehicles are procured in line with inclusive design principles and fully accessible where required. • All drivers required to receive training on improved fuel efficiency, reducing environmental pollution, advanced safe driving and diversity and inclusion. • Encourage opportunities to use alternative vehicles (e.g. electric) and modes such as rail and water.
Water	<p>Production of some goods or certain activities can use a significant amount of water, which can contribute to freshwater depletion and may be problematic in water-stressed regions. Items should be sourced from suppliers/partners who measure water use and perform water use assessments throughout their supply chains to map water risk in different geographical regions and mitigate impacts associated with freshwater depletion. Water pollution should be avoided throughout their supply chain, including where local government monitoring is lax.</p>	<ul style="list-style-type: none"> • Categories of goods and services which contribute most to your organisation's water footprint have been identified. Where possible, this should include identifying the most material and at-risk watersheds in its anticipated extended supply chain. • Steps are taken to measure, reduce and report water impacts and progress on actions taken by suppliers/partners with greatest associated water impacts. • Suppliers and partners are asked to supply/use equipment and infrastructure which meets recognised/best practice water reduction and efficiency standards wherever possible. This includes promoting innovation in product development that reduces water consumption and improves water efficiency in use. • Encourage supplier/partner companies shipping goods by sea adhere to environmental standards on marine shipping.



ISSUE	DESCRIPTION	EXAMPLE ACTIONS
WORKERS AND COMMUNITIES		
Community Rights	<p>Local and indigenous people who have traditional rights to land that companies want to develop for certain commodities can be harmed by development that does not consider their rights. Suppliers/partners should demonstrate that they are working with local government and community representatives to ensure that traditional rights (customary rights) are respected prior to land development and throughout production operations including free, prior and informed consent has been granted. Growers on small farms, called smallholder farmers, may have limited access to information, technology, and resources. Suppliers/partners should determine where their crops are grown, understand if they source from small farms, and work with organisations that help smallholder farmers overcome challenges and achieve greater and more sustainable results.</p>	<ul style="list-style-type: none"> • Processes are in place to identify and assess risks and impacts related to land rights risks (individuals, indigenous people and local communities including business and commerce) within your organisation’s value chain. • Where sourcing involves property or land, including the use and transfers of it, suppliers and partners are required demonstrate how all negotiations adhere to the principles of free, prior and informed consent, contract transparency and disclosure. • Encourage suppliers and partners to provide opportunities to support growing artisan and smallholder producers within your organisation’s value chain. <p>NOTE: See also Sustainable Forestry and Deforestation, page 70.</p>
Social Investment	<p>Sourcing decisions and activities may impact local communities in close proximity to where goods and services are to be delivered or upstream in the wider supply chain. Impacts of such decisions and activities in the local and wider community should be analysed and should be mitigated through positive contributions and investments (e.g. create local employment, use of local suppliers or investments in community infrastructure projects such as schools, health facilities or open/recreational space).</p>	<ul style="list-style-type: none"> • Promote community development as part of sourcing activities and decisions including consideration of the economic and social impacts of entering or leaving a community. • Analyse impact of sourcing decisions on employment creation and capacity building and on the alleviation of poverty. • Explore opportunities for participation of SMEs, non-profit social enterprises, women-owned and minority ethnic businesses and young entrepreneurs in your organisation’s value chain. • Consider participation in local and national skills development programmes, including apprenticeship programmes, programmes focused on disadvantaged groups and skills recognition schemes. • Help develop or improve skills development programmes in the community where these are inadequate in partnership with key stakeholders. • Provide opportunities to local suppliers to supply goods and services and contribute to local supplier development where possible.



ISSUE	DESCRIPTION	EXAMPLE ACTIONS
Sustainable Mining & Conflict Minerals	<p>Mining operations can pollute the air and water, diminish natural resources and jeopardise community and worker rights, health and safety. Raw materials should be sourced from suppliers/partners that benchmark the sustainability practices of their mining operations against recognised standards.</p> <p>Certain minerals, including gold and ores of tantalum, tin and tungsten, that may be mined in areas where groups responsible for human rights abuses control and profit from mining operations. Materials should be sourced responsibly and efforts made to help improve stability and quality of life for miners and their communities.</p>	<ul style="list-style-type: none"> • All sourcing of metals and minerals, particularly those likely to be from Conflict-Affected and High-Risk Areas, must be identified and be done in full compliance with all relevant legislation. • Risks associated with sourcing metals and minerals in the supply chain must be identified and an appropriate level of independent due-diligence carried out. Suppliers and partners are required to demonstrate the steps they have taken to identify mines, smelters and refiners for certain metals and minerals. • Suppliers/partners required to verify traceability or chain of custody information (e.g. mine of origin, trade routes, suppliers) for metals and minerals used in key products (e.g. medals). • Encourage use of recycled content in products to reduce the burden and negative impacts of metal and metal-product manufacturing across the supply chain.
Workers	<p>Workers may be exposed to hazards in the workplace such as dust, noise, harmful chemicals or be mistreated. In some parts of the world, they may be subject to forced labour conditions and their rights to freedom of association, equal opportunity and treatment and fair wages may not be protected. Goods and services must be sourced from suppliers/partners that respect human rights and address worker health and safety and labour rights proactively and transparently.</p>	<ul style="list-style-type: none"> • Suppliers and partners have confirmed that they meet relevant human rights legislation (e.g. Modern Slavery Act) and have made a public policy commitment to meet their responsibility to respect internationally recognised human rights standards. • Due-diligence processes are in place to identify actual and potential negative human rights impacts of sourcing decisions and activities with the aim of avoiding and mitigating such impacts. Actual and potential negative impacts on human rights resulting from activities by initial assessment of suppliers and partners are identified, prevented and addressed. • Processes are in place to enable individuals who believe their human rights have been abused in the supply chain to raise this and seek redress and remedy. • Ensure that core labour rights are upheld by suppliers and partners, such as freedom of association and collective bargaining, no forced labour, equal opportunities and non-discrimination, fair employment practices and social protection, health and safety and no child labour. • Require suppliers/partners to take appropriate steps to create a safe and secure working environment for all workers in their supply chains. • Suppliers/partners are encouraged take appropriate steps to create an inclusive environment and protect their employees against discrimination by others. • Consider participation in programmes that aim to provide individuals in the supply chain with access to skills development, training, opportunities for improving their capabilities, functioning and for career advancement. <p>NOTE: See also Grievance Mechanisms, page 65.</p>



APPENDIX B SPEND CATEGORY AND ISSUES MATRIX

The following matrix contains a list of spend categories that are typically sourced or procured by the Olympic Movement and, for each spend category, a view on the relevance of key sustainability issues highlighted in Appendix A. Where an area is flagged as high priority, this means that this aspect should be given careful consideration during the engagement and tendering process.

The matrix is indicative and is intended as a starting point for what needs to be considered. Even if a particular issue might be thought to be a low priority it should not be taken to mean that this is not necessarily relevant or important. The matrix should be reviewed on a case by case basis and may need to be adapted to better reflect local circumstances and priorities.



SUSTAINABLE SOURCING ISSUES (APPENDIX A)	Consumers		Managing the Supply Chain			Use of Resources		
	Consumer Data Protection and Privacy	Consumer Health and Safety	Anti-Corruption	Grievance Mechanisms	Supply Chain Transparency	Animal Health and Welfare	Biodiversity and natural capital	Chemicals
TYPICAL SPEND CATEGORIES								
Accommodation and conference facilities								
Administrative services								
Business travel services								
Catering and food services								
Cleaning services (including laundry, pest control)								
Clothing, footwear & textiles								
Domestic appliances								
Editorial services								
Event management services								
Floriculture and silviculture products								
Furniture and fittings								
Gifts and giveaways								
IT, broadcasting and telecoms								
Logistics								
Mail and courier services (including freight forwarding)								
Marketing materials, signage and accessories								
Medical and laboratory services & equipment								
Merchandise								
Office accessories, supplies and services								
Printing services								
Professional services								
Security and safety equipment and supplies								
Sports equipment supplies and accessories								
Temporary construction and fit-out (overlay)								
Utilities (including temporary power generation)								
Vehicles (including transport services)								
Venue services (including retail, operations and maintenance)								
Victory ceremonies								
Waste management (including snow removal services)								





SUSTAINABLE SOURCING ISSUES (APPENDIX A)	Use of Resources							
	Climate and Energy	Disposal and End of Life	Food Waste	Material Efficiency	Packaging	Pollution	Product Efficiency	Sustainable Fish and Shellfish
TYPICAL SPEND CATEGORIES								
Accommodation and conference facilities								
Administrative services								
Business travel services								
Catering and food services								
Cleaning services (including laundry, pest control)								
Clothing, footwear & textiles								
Domestic appliances								
Editorial services								
Event management services								
Floriculture and silviculture products								
Furniture and fittings								
Gifts and giveaways								
IT, broadcasting and telecoms								
Logistics								
Mail and courier services (including freight forwarding)								
Marketing materials, signage and accessories								
Medical and laboratory services & equipment								
Merchandise								
Office accessories, supplies and services								
Printing services								
Professional services								
Security and safety equipment and supplies								
Sports equipment supplies and accessories								
Temporary construction and fit-out (overlay)								
Utilities (including temporary power generation)								
Vehicles (including transport services)								
Venue services (including retail, operations and maintenance)								
Victory ceremonies								
Waste management (including snow removal services)								





SUSTAINABLE SOURCING ISSUES (APPENDIX A)	Use of Resources			Workers & Communities			
	Sustainable Forestry and Deforestation	Transportation and Logistics	Water	Community Rights	Social Investment	Sustainable Mining & Conflict Minerals	Workers
TYPICAL SPEND CATEGORIES							
Accommodation and conference facilities							
Administrative services							
Business travel services							
Catering and food services							
Cleaning services (including laundry, pest control)							
Clothing, footwear & textiles							
Domestic appliances							
Editorial services							
Event management services							
Floriculture and silviculture products							
Furniture and fittings							
Gifts and giveaways							
IT, broadcasting and telecoms							
Logistics							
Mail and courier services (including freight forwarding)							
Marketing materials, signage and accessories							
Medical and laboratory services & equipment							
Merchandise							
Office accessories, supplies and services							
Printing services							
Professional services							
Security and safety equipment and supplies							
Sports equipment supplies and accessories							
Temporary construction and fit-out (overlay)							
Utilities (including temporary power generation)							
Vehicles (including transport services)							
Venue services (including retail, operations and maintenance)							
Victory ceremonies							
Waste management (including snow removal services)							





APPENDIX C TEMPLATE SUSTAINABLE SOURCING CODE

This appendix is intended as an aid to help you create your own organisational Sustainable Sourcing Code. The wording supplied is not intended to be used verbatim, but rather as a template to craft your own document. You will need to insert information that is specific to your organisation in some sections. These can be identified by the double brackets << >> and *red italic* text.

SUSTAINABLE SOURCING CODE

Introduction

<<Set out a summary of the Sustainable Sourcing Code and your organisation's approach to sustainable sourcing. This summary may include:

- a lay summary of what sustainable sourcing means to your organisation and why it is important;*
- who the Code is aimed at in terms of audience;*
- what goods and services the Code applies to;*
- how the Code will be applied/used; and*
- whether the Code will be updated and how stakeholders can provide feedback.>>*

Contact

Any questions regarding this Sustainable Sourcing Code can be addressed to:

<<insert email address>>.

Core Requirements

The following sections set out the standards we expect our suppliers and partners to comply with and the processes and systems we expect them to implement. Our requirements reflect our commitment to promote adherence to internationally agreed standards, including the [UN Universal Declaration of Human Rights](#),

the [ILO Declaration on Fundamental Principles and Rights at Work](#) and the [UN Guiding Principles on Business and Human Rights](#).

We have also drawn from a number of multi-stakeholder environmental, social and ethical standards and codes including the [UN Global Compact](#) and [Global Social Compliance Programme Reference Tools](#). In doing so, we aim to align our requirements with international standards and to promote comparability between the standards of different buying organisations.

We also recognise that some of our requirements will be more relevant to our product-based suppliers and partners than to our service-based suppliers and partners.

Human Rights

Suppliers or partners shall respect internationally proclaimed human rights⁴ and ensure that they are not complicit in human rights abuses. They shall ensure any violation of human rights is remedied in a manner consistent with international agreements, applicable laws and regulations, including the [United Nations Guiding Principles on Business and Human Rights](#).

⁴Including those contained in the [International Bill of Human Rights](#) and the [International Labour Organization's Declaration on Fundamental Principles and Rights at Work](#)



Labour Standards

Forced, bonded, indentured and prison labour	<ul style="list-style-type: none"> • All work must be conducted on a voluntary basis, and not under threat of any penalty of sanctions. • The use of forced or compulsory labour in all its forms, including prison labour when not in accordance with ILO Convention 29 (Forced Labour), is prohibited. • Suppliers and partners shall not require workers to make deposits/financial guarantees and shall not retain identify documents (such as passports, identity cards, etc), nor withhold wages. • Bonded labour is prohibited. Suppliers and partners shall not use any form of bonded labour nor permit or encourage workers to incur debt through recruitment fees, fines or other means. • Indentured labour is prohibited. Suppliers and partners shall respect the right of workers to terminate their employment after reasonable notice. Suppliers and partners shall respect the right of workers to leave the workplace after their shift. • In the case of agency/indirectly employed workers, suppliers and partners shall ensure that such workers do not pay any form of recruitment fees to any agents to gain employment.
Child labour	<ul style="list-style-type: none"> • Suppliers and partners shall comply with: <ul style="list-style-type: none"> – The national minimum age for employment; or – The age of completion of compulsory education; or – Any otherwise specified exceptions; and – Shall not employ any person under the age of 15, whichever of these is higher. If however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, this lower age may apply. • Suppliers and partners shall not recruit child labour nor exploit children in any way. If children are found to be working directly or indirectly for the supplier/partner, the latter shall seek a sensitive and satisfactory solution that puts the best interests of the child first. • Suppliers and partners shall not employ young workers under 18 years of age at night, or in conditions which might compromise their health, their safety or their moral integrity, and/or which harm their physical, mental, spiritual, moral or social development.
Freedom of association and effective recognition of the right to collective bargaining	<ul style="list-style-type: none"> • Workers have the right to join or form trade unions of their own choosing and to bargain collectively, without prior authorisation from suppliers and partners' management. Suppliers and partners shall not interfere with, obstruct or prevent such legitimate activities. • Where the right to freedom of association and collective bargaining is restricted or prohibited under law, suppliers and partners shall not hinder alternative forms of independent and free workers representation and negotiation, in accordance with international labour standards. • Suppliers and partners shall not discriminate against or otherwise penalise worker representatives or trade union members because of their membership in or affiliation with a trade union, or their legitimate trade union activity, in accordance with international labour standards. • Suppliers and partners shall give worker representatives access to the workplace in order to carry out their representative functions, in accordance with international labour standards.



Discrimination, harassment and abuse

- Suppliers and partners shall take appropriate steps to create a culture and adopt practices that recognise, respect, value, and embrace difference for everyone's benefit.
- Suppliers and partners shall respect equal opportunities in terms of recruitment, compensation, access to training, promotion, termination or retirement.
- Suppliers and partners shall not engage in, support or tolerate discrimination in employment including recruitment, hiring, training, working conditions, job assignments, pay, benefits, promotions, discipline, termination or retirement on the basis of gender, age, religion, marital status, race, caste, social background, diseases, disability, pregnancy, ethnic and national origin, nationality, membership in worker organisations including unions, political affiliation, sexual orientation, or any other personal characteristics.
- Suppliers and partners shall treat all workers with respect and dignity and base all terms and conditions of employment on an individual's ability to do the job, not on the basis of personal characteristics or beliefs.
- Suppliers and partners shall not engage in or tolerate bullying, harassment or abuse of any kind or other forms of intimidation.
- Suppliers and partners shall establish written disciplinary procedures and shall explain them in clear and understandable terms to their workers. All disciplinary actions shall be recorded.

Health and safety

- Suppliers and partners shall provide safe and clean conditions in all work and residential facilities and shall establish and follow a clear set of procedures regulating occupational health and safety.
 - Suppliers and partners must take adequate steps to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
 - Appropriate and effective personal protective equipment shall be provided as needed and workers shall be trained on the proper use and maintenance of such equipment.
 - Suppliers and partners shall provide access to adequate medical assistance and facilities.
 - Suppliers and partners shall provide all workers with access to clean toilet facilities and to drinkable water and, if applicable, sanitary facilities for food preparation and storage.
 - Suppliers and partners shall ensure that residential facilities for workers, where provided, are clean and safe.
 - Suppliers and partners shall assign the responsibility for health and safety to a senior management representative.
 - Suppliers and partners shall provide regular and recorded health and safety training to workers and management, and such training shall be repeated for all new or reassigned workers and management.
 - Suppliers and partners shall provide adequate safeguards against fire, including providing an adequate number of unblocked escape routes and exits, and shall ensure the strength, stability and safety of buildings and equipment, including residential facilities where provided.
 - Where provided, accommodation must be segregated from production facilities, located only in buildings designed for the purpose of worker accommodation, and provides for individual privacy and secure storage of personal belongings.
 - Suppliers and partners shall undertake sufficient training of workers and management of workplace health and safety hazards, including waste management, handling and disposal of chemicals and other dangerous materials, fire safety and emergency procedures.
-



Wages, benefits and terms of employment

- Work performed must be on the basis of a recognised employment relationship established in compliance with national legislation and practice and international labour standards, whichever affords the greater protection.
- Labour-only contracting, sub-contracting or home-working arrangements, apprenticeship schemes where there is no real intent to impart skills or provide regular employment, excessive use of fixed-term contracts of employment, or any comparable arrangements shall not be used to avoid obligations to workers under labour or social security laws and regulations arising from the regular employment relationship.
- Suppliers and partners must compensate their workers by providing wages, overtime pay, benefits and paid leave which respectively meet or exceed legal minimum and/or industry benchmark standards and/or collective agreements, whichever is higher. Wages and compensation for regular working hours shall meet basic needs and provide some discretionary income for workers and their families.
- Suppliers and partners shall provide all workers with written and understandable information about their employment conditions, including wages, before they enter into employment; and about details of their wages for the pay period concerned each time that they are paid.
- Suppliers and partners shall not make any deductions from wages that are unauthorised or not provided for by national law. Suppliers and partners shall not make any deduction from wages as a disciplinary measure.
- The supplier or partner shall provide all legally required benefits, including paid leave, to all workers as well as maternity leave provision and support for child care where appropriate.
- Suppliers and partners shall always compensate all workers for all overtime at a premium rate, as required by law and, where applicable, by contractual agreement.

Working hours

- Suppliers and partners shall set working hours that comply with national laws or benchmark industry standards or relevant international standards, whichever affords greater protection to ensure the health, safety and welfare of workers.
 - Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.
 - All overtime shall be voluntary, shall not exceed 12 hours per week and shall not be requested on a regular basis. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.
 - The total hours worked in any seven day period shall not exceed 60 hours unless in exceptional circumstances where all of the following are met:
 - this is allowed by national law;
 - this is allowed by collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
 - appropriate safeguards are taken to protect the workers' health and safety; and
 - the supplier or partner can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.
 - Workers shall be provided with at least one day off in every seven-day period or, where allowed by national law, two days off in every 14 day period well as public and annual holidays.
-



Bribery and corruption

We expect suppliers and partners to act professionally, fairly and with integrity in all their business dealings and relationships wherever they operate and to assess risks, implement and enforce effective systems to counter fraud, bribery, and other forms of corrupt business practices. Suppliers and partners must also uphold fair business standards in advertising, sales and competition.

If we have serious concerns about a suppliers and partners ethical business conduct (whether they relate to our organisation or not) we will review our relationship with them.

Community impacts

We expect all suppliers and partners to understand how their decisions and activities impact on local communities and the general public (e.g. nuisances) and take appropriate steps to mitigate such impacts. They are encouraged to make positive contributions and investments in their local and wider community.

Environmental Standards

Suppliers and partners shall conduct all operations in full compliance with all applicable environmental laws and regulations as well as develop, implement and maintain business practices that minimise the impact of their operations, products and services on the environment.

Suppliers and partners shall support a precautionary approach to environmental challenges.



Impact on climate and air quality	<p>The supplier or partner should aim to mitigate impacts on climate change and air quality by:</p> <ul style="list-style-type: none"> •Mitigating greenhouse gas emissions and other air emissions that harm the environment. •Continuously improving energy management and efficiency (e.g. using/supplying products that meet or exceed recognised energy efficiency standards). •Selecting energy sources responsibly and taking appropriate steps towards adopting lower-carbon intensity and renewable energy sources. •Using low- or zero-emission transport modes. Suppliers and partners should aim to optimise transport efficiency and/or minimise transport distances wherever possible.
Waste, reuse and recycling	<p>We place a high priority on the prevention of waste. Suppliers and partners are expected to demonstrate a pro-active approach in this area by reducing waste, achieving high reuse and recycling, avoiding the use of landfill and proactively offering solutions aligned with circular economy innovation.</p> <ul style="list-style-type: none"> •Use of primary, secondary and tertiary packaging must be optimised. •Where practicable, all products and packaging should be able to be easily reused or recycled. Suppliers and partners must confirm that such items can actually be reused or recycled or put specific reuse or recycling arrangements in place. •Proposing solutions to take back products and packaging and ensure their reuse or recycling, if requested. •Suppliers and partners are also encouraged to propose products which contain reused or recycled content.
Use of chemicals	<p>We encourage the use of substances and materials that do not represent a risk to human health and the environment. This is not limited to those that have been regulated or restricted in particular regions.</p> <p><i><<Include specific requirements on chemicals including substances/materials that must be prohibited from use, or are restricted in their use>></i></p>
Conservation of species and natural habitats	<p>Suppliers or partners shall ensure raw materials of natural origin have been sourced legally and must not supply or use products or packaging that make use of any fur, skin, feathers, food or food ingredients of plant or animal origin (including fish) of any species specified in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Appendices and in the International Union for Conservation of Nature (IUCN) Red List of Threatened Species.</p> <p>We reserve the right to stipulate additional requirements of relevance to the conservation of species and natural habitats including sourcing raw materials from more sustainable farming and forestry practices.</p>

Animal welfare and testing

Suppliers and partners must ensure the highest standards of animal health and welfare both for animals that are raised for meat, fish, eggs and dairy products and for animals used for work and transport. The internationally recognised 'Five Freedoms' is used as the reference point for such standards.

All cosmetic and cleaning products and ingredients supplied must not have been tested on animals and ideally be certified as an internationally recognised standard, such as 'Cruelty Free' by [Cruelty Free International](#).



PRINCIPLES OF IMPLEMENTATION

Complying with the Sustainable Sourcing Code

The requirements set out in this Sustainable Sourcing Code constitute minimum and not maximum standards. Suppliers and partners are expected to comply with applicable laws and regulations related to environmental and social responsibility and to ethical business conduct. Where regulatory provisions are more stringent, suppliers and partners shall apply the more stringent provisions.

Integrating sustainability into company culture and business practices

Suppliers and partners must manage the impacts of their activities in the context of the products and services supplied to *<<insert name of organisation>>* and have a basic management system in place (which may or may not be independently certified). Suppliers and partners should take appropriate steps to integrate the relevant requirements of this Sustainable Sourcing Code into their business management practices as appropriate.

It is the supplier and partners responsibility to achieve and maintain our standards and to communicate, monitor and enforce these standards within their own supply chain.

Use of sub-contractors, homeworkers or other third parties

Suppliers and partners must agree with us in advance the organisations and the production site or sites to be used. Sub-contracting of any kind (e.g. organisations, sites or units) is not permitted without pre-authorized permission in writing from us.

Transparency

In today's increasingly transparent world we are committed to working with our suppliers and partners in an open, constructive and transparent manner and we request our suppliers and partners to do the same. In this spirit, suppliers and partners must be willing to provide information about a product's or service's social, environmental and ethical credentials including full details of all sites used (e.g. factories). We also reserve the right to disclose and/or publicise such information to advance our sustainability goals.

Claims and declarations

Suppliers and partners must ensure that any claims and declarations made about products and services (e.g. recyclability, recycled content, or 'carbon-neutral') are legal, honest, transparent and verifiable. The use of third-party logos (e.g. FSC[®], Fairtrade, or Rainforest Alliance) is likely to be strictly controlled so the necessary licenses and permissions must be obtained from the corresponding certification or licensing body prior to use.

Workplace grievances

Suppliers and partners shall provide a mechanism for their employees and workers in their supply chain to raise workplace issues and concerns without fear of retribution. This grievance mechanism should involve an appropriate level of management and seek to address concerns promptly and transparently. Arrangements must allow for issues and concerns to be raised and addressed anonymously and be clearly communicated to all workers and their representatives.

Complaints

<<Include information on how complaints about implementation of the code by suppliers/partners may be received/submitted>>



Monitoring and evaluation

We will monitor and evaluate our suppliers and partners' adherence to our requirements through various methods, including review of documented evidence or independent specialist audits if deemed relevant.

Any violations of our standards may jeopardise the supplier or partners business relationship with the us and may lead to the termination of the contract or cooperation. We reserve the right to take any further legal action at its discretion.

SUSTAINABLE SOURCING CODE – SUPPLIER/PARTNER COMMITMENT

As a *<<insert name of organisation>>* supplier/partner we understand that they want to engage and collaborate with organisations that share their sustainability ambition beyond managing risk and complying with the law to contribute actively to global sustainability in line with their vision: *<<insert reference to vision>>*

As a minimum, we commit to complying with the requirements outlined in this Sustainable Sourcing Code, and to implement them in our business and supply chains. We acknowledge that these requirements constitute minimum and not maximum standards.

We agree to be monitored and evaluated on our sustainability performance within the areas described in this Sustainable Sourcing Code.

We also acknowledge that we may be asked to meet additional sustainability requirements which are specific to certain categories of products and services.

<<insert signature>>

.....

<<insert name and position held>>

duly authorised to sign for and on behalf of

<<insert company name>>

Date.....



APPENDIX D EXAMPLE SUSTAINABILITY DUE-DILIGENCE QUESTIONS

The following questions are examples of what might be asked of organisations during pre-qualification and prior to issuing a tender. If you progress straight to tender these or similar questions should be asked alongside those more specific to the goods and services being sought.

Please provide details of your approach to sustainability, covering the following:

- Does your organisation have a public sustainability policy and/or strategy? If so, please provide details, including organisational scope (i.e. the extent they would apply to goods and services supplied).
- Does your organisation have a senior manager and/or management committee responsible for sustainability? If so, please give a role description, and the name and grade of the person in that role.
- Has your organisation undertaken a review of its environmental and social issues and impacts and set appropriate performance objectives and targets? If so, please provide details of key objectives and targets in this area and related achievements.
- Do you communicate sustainability objectives and targets employees and wider external stakeholders? If so, please provide details.
- Does your organisation have formal certified systems in place to manage environmental and social issues (examples include: Environment (e.g. ISO 14001); Health & Safety (e.g. ISO 45001); Event Sustainability (e.g. ISO 20121)) or does it have business specific or informal systems in place? If so, please provide details.
- Does your organisation undertake audits of your management system arrangements? If so, please provide details.
- Does your organisation formally report externally on progress towards meeting your sustainability objectives and targets? If so, please indicate how and to whom, and provide examples (e.g. your latest Sustainability Report).
- Is training provided to employees in relation to sustainability? If yes please provide details of the training.
- Has your organisation been successfully prosecuted for infringement of environmental or social legislation and/or received adverse media or stakeholder notoriety in the past five years? If yes, please outline the measures your company took to rectify the situation and measures taken to minimise the chances of reoccurrence.

Please provide details on your approach to managing your supply chain, covering the following:

- Does your organisation have an Ethical Sourcing Policy or Supplier Code of Conduct? If so, please state what it covers – e.g. human rights, labour standards, environmental management, animal welfare etc.
- Does your organisation assess the effectiveness of your Ethical Sourcing Policy or Supplier Code of Conduct? If so, please provide details.
- Has your organisation traced the tiers of its supply chain? If so, please details of the level of visibility you have across different tiers.
- Does your organisation ensure that people affected by your supply chain activities have access to grievance mechanisms and remedy? If so, please provide details.



APPENDIX E REFERENCES AND GUIDANCE

Useful guides and tools

- BSI, [Sustainable Events Guide – Developing a sustainability management system for events: A stepping-stone to BS ISO 20121](#)
- BSI, [Executive Briefing: BS 8001 – a Guide: The world’s first standard for implementing the principles of the circular economy in organizations](#)
- BS 8001:2017, [Framework for implementing the principles of the circular economy in organizations – Guide](#)
- Ergon Associates Ltd, [Access to remedy – operational grievance mechanisms: An issues paper for ETI](#)
- ISO 20121:2012, [Event sustainability management systems – Requirements with guidance for use](#)
- ISO 20400:2017, [Sustainable procurement – Guidance](#)
- OECD, [OECD Guidelines for Multinational Enterprises](#)
- OECD, [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#)
- Sedex, [Sedex Supplier Workbook](#)
- UN, [Guiding Principles on Business and Human Rights](#)
- UN, [Buying for a Better World: A Guide on Sustainable Procurement for the UN System](#)
- UN Global Compact and BSR, [Supply Chain Sustainability: A Practical Guide for Continuous Improvement](#)
- UN Global Compact and BSR, [A Guide to Traceability: A Practical Approach to Advance Sustainability in Global Supply Chains](#)
- World Business Council for Sustainable Development, [People Matter Reward: Linking sustainability to pay](#)

Useful links

- The Events Industry Council **Principles for Sustainable Events** were developed by representatives of global events, tourism and sustainability bodies to guide and motivate event organisers worldwide to embrace and implement more sustainable event practices. View the principles at <https://eventscouncil.org/Sustainability/Sustainability-Pledge> for more information.
- The **Global Social Compliance Programme Reference Tools** are a suite of documents compiling best practices for managing sustainable supply chains. Visit the website at <https://www.theconsumergoodsforum.com/initiatives/sustainable-supply-chain-initiative/global-social-compliance-programme-gscp> for more information.
- The **Supplier Ethical Data Exchange (Sedex)** is the world’s largest collaborative platform for sharing responsible sourcing data on supply chains. Visit the website at <https://www.sedexglobal.com> for more information.
- The ITC Standards Map provides information on standards, codes of conduct and audit protocols addressing sustainability hotspots in global supply chains. Visit the website at <http://sustainabilitymap.org/standardidentify/> for more information.
- The ISEAL Credibility Principles provide guidance on fundamental qualities that make standards most likely to achieve positive impacts. Visit the website at <https://www.isealalliance.org/credible-sustainability-standards/iseal-credibility-principles> for more information.



- The ISEAL Challenge the Label webpage is a tool for claims users to distinguish between credible and non-credible claims. Visit the website at <https://community.isealalliance.org/challenge> for more information.
- The Sustainability Consortium is a global organisation working with the consumer goods industry to deliver more sustainable consumer products. They have developed the ProductFinder online platform, which includes free sustainability insights on a wide range of consumer goods products. Visit the website at <https://www.sustainabilityconsortium.org/product-sustainability/productfinder/> for more information.
- The EU has developed Green Public Procurement (GPP) criteria for public bodies for certain categories of goods and services. Visit the website at http://ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm for more information.
- The GRI, the UN Global Compact and the World Business Council for Sustainable Development (WBCSD) have developed the SDG Compass which aims to support companies of all sizes in aligning their strategies with the UN Sustainable Development Goals. Visit the website <https://sdgcompass.org> for more information.