

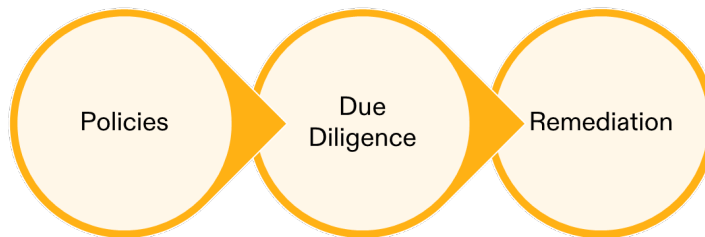
IOC'S RESPONSIBLE SOURCING APPROACH

1. THE IOC'S RESPONSIBLE SOURCING APPROACH

The IOC is committed to building a better world through sport. As outlined in Olympic Agenda 2020+5 and its Sustainability Strategy, the IOC follows a responsible sourcing approach by which the sourcing of its products and services is carried out with environmental, social and ethical considerations in mind.

Through this approach, the IOC aims to prevent value chain-related risks, while using its influence to promote higher levels of environmental and social responsibility across its value chain. Our approach to responsible sourcing consists of three closely connected pillars (as per Figure 1).

Figure 1: Our approach to responsible sourcing



2. THE POLICY FRAMEWORK

The IOC's policy framework for responsible sourcing relies on three sets of documented obligations:

- Contractual clauses, which include sustainability criteria and require compliance with our IOC Supplier Code.
- The [IOC Supplier Code](#), which outlines the IOC's minimal social and environmental requirements for its suppliers, focusing on human rights, labour conditions, waste minimisation, optimisation of transport, and ethics
- Environmental and social performance criteria applicable to certain categories of goods and services. These are complementary to the IOC Supplier Code and are communicated to our suppliers on a case-by-case basis, where relevant.

The IOC Supplier Code reflects the IOC's commitment to promoting 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.

For the drafting of the Supplier Code, the IOC also drew from a number of multi-stakeholder standards, including the UN Global Compact and Global Social Compliance Programme Reference Tools. In doing so, the IOC aims to align its requirements with international standards.

The IOC Supplier Code outlines the IOC's minimum requirements from its suppliers – defined as any direct supplier providing or intending to provide goods and services to the IOC.

Suppliers are expected to take appropriate steps to integrate the relevant requirements of the IOC Supplier Code into their business management practices and to comply with applicable laws and regulations related to anti-bribery, anti-corruption, and environmental and social responsibility.

The IOC also expects its suppliers to ensure these requirements are being applied by their own suppliers and subcontractors. As the business relationship develops, the IOC expects suppliers to continuously improve their environmental and social performance.

3. THE DUE DILIGENCE PROCESS

The IOC is strengthening its due diligence by designing and implementing a systematic approach towards managing its suppliers and enforcing compliance with the IOC Supplier Code. This approach includes risk evaluation, monitoring activities and third-party assessments and audits.

Risk evaluation: We evaluate the labour rights and environmental risks of our suppliers. This evaluation process leads to a risk level for each supplier (low, middle and high risk) which then determines the depth and rigour of subsequent monitoring and/or assessment activities.

Monitoring activities: The level of monitoring varies according to risk. It consists of regular awareness-raising engagement by our sustainability team, the use of self-assessment questionnaires to understand the level of commitment and maturity regarding sustainability measures, design and implementation. The IOC also requests available third-party assessments, and commissions its own third-party audits for higher risk suppliers to assess compliance with the IOC Supplier Code.

3.1. Third-party audits

The IOC third-party assessment consists of social audits, commissioned and paid for by the IOC. These audits enable us to understand the working conditions at supplier sites and facilitate the implementation of the necessary corrective action/remediation where appropriate. IOC social audits are conducted by independent third-party audit and monitoring firms with in-depth knowledge of the markets concerned.

These social audits have been designed with a “beyond audit” framework in mind. As such they also assess the root causes of non-compliance and have a strong focus on worker engagement. Our audits last on average twice as long as standard social audits and involve at

least two auditors per site. This allows for an in-depth review of practices at sites and deeper more meaningful engagement with workers on their working conditions. Audit teams that support the IOC are trained in different techniques to unearth issues, such as the use of anonymous worker surveys, semi-structured confidential interviews and triangulation of information. The audit teams always interact with workers in their own languages, away from management. This allows IOC audits to more reliably identify sensitive issues such as discriminatory practices or harassment. IOC social audits also include meetings with the supplier management team, a site walkthrough, worker confidential interviews and document/record review.

This robust methodology enables auditors to assess conditions on the ground and evaluate supplier compliance with our IOC Supplier Code. Where non-compliances are identified, the IOC works with the supplier to ensure these are actively remediated.

3.2. Beijing 2022

The IOC carried out third-party due diligence on its own suppliers that are producing its own branded products for the Olympic Winter Games Beijing 2022. This work started in September 2021 and aligns with the above-mentioned risk evaluation and third-party auditing process.

For each edition of the Games, the organising committees are responsible for procuring and licensing most of the goods for sale.

As far as the IOC is concerned, the products we sourced and audited consist of not-for-resale products for the delegation, such as the IOC uniforms and gifts for our stakeholders (e.g. pins, notebooks, beanies, mittens and bags).

As part of this due diligence process, the IOC directly requested proofs of origin for the materials used in our apparel and footwear products.

Anta Sports: Sustainability considerations were taken into account when designing our uniforms, and recycled materials were used following the Global Recycle Standard. The uniforms do not contain cotton.

Hengyuanxiang Group (HYX Group): The cotton used in the uniforms (and ordered from a major international trading company) does not originate in China.

The sites of Anta Sports and HYX Group were audited by an independent third-party.

4. ONGOING REMEDIATION

Once the audit is completed, the IOC works with the supplier and manufacturing facility to address the identified non-compliances via an agreed Corrective Action Plan. This continued


engagement with suppliers and their factories helps build awareness of our requirements, both with regard to the Supplier Code and also around continuous improvement.

Our audit programme in 2021 covered IOC suppliers of uniforms and gifts. We did not find any forced, bonded, indentured or child labour. The non-conformities that were identified (see table below) are being actively remediated. On-site and desktop follow-ups are organised to follow the Corrective Action Plans and to develop practical and sustainable solutions in a transparent and continuous improvement approach.

Table 1: Our 2021 audit programme – compliance degree by IOC Supplier Code clause

IOC Supplier Code - Clauses	Degree of Compliance with IOC Supplier Code
Forced Labour	High compliance (low number of non-conformities)
Child Labour	High compliance (low number of non-conformities)
Freedom of Association	High compliance (low number of non-conformities)
Discrimination, Harassment and Abuse	High compliance (low number of non-conformities)
Health and Safety	Low compliance (high number of non-conformities)
Wages, Benefits and Terms of Employment	Low compliance (high number of non-conformities)
Working Hours	High compliance (low number of non-conformities)
Environment	High compliance (low number of non-conformities)
Anti-Bribery and Corruption	High compliance (low number of non-conformities)
Worker Grievance	High compliance (low number of non-conformities)
Other (Incl. Sub-Contracting)	High compliance (low number of non-conformities)

Compliance degree:  High compliance (low number of non-conformities)

 Low compliance (high number of non-conformities)

Any violation of the IOC Supplier Code directly impacts the supplier's business relationship with the IOC and automatically triggers enhanced scrutiny with additional engagement.

5. LOOKING AHEAD

The IOC, as part of its commitment to developing a strategic approach to human rights, is committed to strengthening its approach to responsible sourcing – in close collaboration with the procurement and various buying functions at the IOC. The IOC is working on its human rights strategy in which the responsible sourcing strategy will be featured.