

IOC SUPPLIER CODE

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INTRODUCTION

The IOC is committed to building a better world through sport. As outlined in its <u>Sustainability Strategy</u>, which underpins to a large extent this Supplier Code, the IOC follows a responsible sourcing approach by which the sourcing of our products and services is carried out with environmental, social and ethical issues in mind. Through this approach, the IOC aims to use its influence to promote higher levels of environmental and social responsibility across its value chain.

This Supplier Code outlines the IOC's minimal requirements from its suppliers – defined as any third party providing or intending to provide goods and services to the IOC.

Compliance with the Supplier Code is required as part of procurement or licensing contracts between any IOC entity headquartered in Lausanne and its suppliers of goods and services, for contracts signed after the entry into force of the present Code. 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.

The following sections set out the standards the IOC expects its suppliers to comply with and the processes it expects them to implement. The IOC's requirements reflect its 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. The IOC has also drawn 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 and to promote comparability between the standards of different buying organisations.

For certain categories of goods and services, more specific sustainability requirements and recommendations have been defined by the IOC and may apply in addition to those outlined in this Supplier Code. Such additional requirements and recommendations will be communicated to the supplier separately and will be reflected in specific contractual clauses, where appropriate.

IOC STANDARDS

HUMAN RIGHTS

Suppliers shall respect internationally proclaimed human rights¹ and ensure that they are not complicit in human rights abuses. They shall ensure that any violation of human rights is remedied in a manner consistent with international agreements, applicable laws and regulations, including the <u>UN Guiding Principles on Business and Human Rights</u>.

LABOUR STANDARDS

FORCED LABOUR

- 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 shall not require workers to make deposits/ financial guarantees and shall not retain identity documents (such as passports, identity cards, etc.), nor withhold wages.
- Bonded labour is prohibited. Suppliers 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 shall respect the right of workers to terminate their employment after reasonable notice. Suppliers shall respect the right of workers to leave the workplace after their shift.
- In the case of agency/indirectly employed workers, suppliers shall ensure that such workers do not pay any form of recruitment fees to any agents to gain employment.

CHILD LABOUR

- Suppliers shall comply with:
 - The national minimum age for employment; or
 - The age of completion of compulsory education; or
 - Any otherwise specified exceptions on child labour; and
 - Shall not employ any person under the age of 15, whichever of these above options 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.

¹ Including those contained in the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work

- Suppliers shall not recruit child labour nor exploit children in any way. If children are found to be working directly or indirectly for the supplier, the latter shall seek a sensitive and satisfactory solution that puts the best interests of the child first.
- Suppliers shall not employ young workers under 18
 years of age at night, or in conditions that might
 compromise their health, safety or moral integrity, and/
 or that harm their physical, mental, spiritual, moral or
 social development.

FREEDOM OF ASSOCIATION AND EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

- Workers have the right to join or form trade unions of their own choosing and to bargain collectively, without prior authorisation from suppliers' management.
 Suppliers 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 shall not hinder alternative forms of independent and free workers' representation and negotiation.
- Suppliers shall not discriminate against or otherwise penalise worker representatives or trade union members because of their membership in or affiliation to a trade union, or their legitimate trade union activity.
- Suppliers shall give worker representatives access to the workplace in order to carry out their representative functions.

DISCRIMINATION, HARASSMENT AND ABUSE

- Suppliers shall take appropriate steps to create a culture and adopt practices that recognise, respect, value and embrace differences for everyone's benefit.
- Suppliers shall respect equal opportunities in terms of recruitment, compensation, access to training, promotion, termination or retirement.
- Suppliers 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 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 personal characteristics or beliefs.
- Suppliers shall not engage in or tolerate bullying, harassment or abuse of any kind or other forms of intimidation.
- Suppliers 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 shall provide safe and clean conditions in all work and residential facilities (where provided), and shall establish and follow a clear set of procedures regulating occupational health and safety.
- Suppliers 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 to 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 shall provide access to adequate medical assistance and facilities.
- Suppliers shall provide all workers with access to clean toilet facilities and drinkable water and, if applicable, sanitary facilities for food preparation and storage.
- Suppliers shall assign the responsibility for health and safety to a senior management representative.
- Suppliers 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 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 provide individual privacy and secure storage for personal belongings.

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 homeworking 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 must compensate their workers by providing wages, overtime pay, benefits and paid leave that 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 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 shall not make any deductions from wages that are unauthorised or not provided for by national law. Suppliers shall not make any deduction from wages as a disciplinary measure.
- Suppliers 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 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 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.²
- 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, as well as public and annual holidays.

ENVIRONMENTAL STANDARDS

Suppliers shall implement business practices that minimise the impact of their operations, products and services on the environment, covering impacts such as the use of natural resources and energy, the production of waste, the emission of hazardous substances, carbon emissions, damage to biodiversity and other forms of nuisance

Suppliers should follow a precautionary approach to environmental matters and should strive to prevent and rectify pollution at source.

WASTE MINIMISATION

The IOC places a high priority on the prevention of waste. Suppliers are expected to demonstrate a proactive approach in this area by:

- Proposing products and services that generate minimal amounts of waste during their life-cycle, including packaging waste, and avoiding single-use plastics;
- Maximising the life duration of their products, through appropriate design, ease to repair, etc.;
- Ensuring the products supplied and their packaging can be easily reused or recycled;
- Proposing solutions to take back products and ensure their reuse or recycling, if requested by the IOC;
- Proposing products incorporating some reused or recycled materials.

OPTIMISATION OF TRAVEL AND FREIGHT

For the delivery of their goods or services, suppliers should aim to minimise transport distances and optimise transport efficiency. Low- or zero-emission transport modes should be favoured.

If vehicles are used, preference should be given to electric or hybrid vehicles or low fuel-consumption vehicles (e.g. label A or B under the EU labelling scheme) that meet the EURO 6 emission standards.

For long-distance freight, transport by train and boat should be given preference over air transport.

ANTI-BRIBERY AND CORRUPTION

This section covers the IOC's general principles and standards on anti-bribery and corruption (ABAC) and the maintenance of business documentation and financial records. It reinforces the IOC's commitment to obliging suppliers to comply with all applicable laws on ABAC and to maintaining accurate records of business dealings with the IOC

Suppliers will at all times comply with all applicable laws and regulations related to their activities and to the provision of the services, including (without limitation) all applicable anti-bribery and anti-corruption laws (some of which may have an extra-territorial reach) and respect the principles contained in the <u>UN Guiding Principles on Business and Human Rights</u>.

Suppliers shall not, directly or through a third party, promise, offer, make, authorise, solicit or accept any

² International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.

financial or other advantage, to or from anyone to obtain or retain business, or secure an improper advantage in the conduct of business. This rule applies regardless of whether such third parties are government officials or work in a private sector entity.

Financial or other advantage covers anything of value, including cash, gifts, services, job offers, loans, travel expenses, entertainment or hospitality.

All facilitation payments are prohibited as they are bribes. These payments are unofficial, improper, small payments or gifts offered or made to secure or expedite a routine or necessary action to which the IOC is legally entitled. The IOC's ABAC programme includes the following elements:

- The IOC's leadership and managers lead by example, ensuring its staff and relevant third parties are aware of the ethical significance and critical role of its ABAC principles and standards.
- The IOC performs a comprehensive risk assessment to determine the supplier's exposure to bribery and corruption. The risk assessment is reviewed and updated regularly to reflect changes in the IOC's risk profile.
- The IOC performs risk-based due diligence prior to engaging any third party or undertaking a business development transaction and ensures appropriate contractual clauses and monitoring controls are put in place as described in the relevant written standards.
- All the IOC's financial books and records accurately reflect and disclose the business rationale, purpose, substance and legality of all of its local and crossborder transactions, payments and expenses.
- The IOC does not induce third parties to make incomplete or misleading entries in their records.

PRINCIPLES OF IMPLEMENTATION

COMPLYING WITH THE SUPPLIER CODE

The requirements set out in this Code constitute minimum and not maximum standards. Suppliers are expected to comply with applicable laws and regulations related to anti-bribery and corruption, and environmental and social responsibility. Where regulatory provisions are more stringent, suppliers shall apply the more stringent provisions.

INTEGRATING SUSTAINABILITY INTO BUSINESS PRACTICES

Suppliers should take appropriate steps to integrate the

relevant requirements of this Code into their business management practices. It is the supplier's responsibility to meet the IOC's standards and to communicate, monitor and enforce these standards within their own supply chain.

TRANSPARENCY

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

In today's increasingly transparent world, the IOC is committed to working with its suppliers in an open, constructive and transparent manner, and requests its suppliers to do the same. In this spirit, suppliers 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). The IOC also reserves the right to disclose such information as part of its sustainability reporting.

CLAIMS AND DECLARATIONS

Suppliers must ensure that any claims and declarations made about products and services (e.g. recyclability, recycled content or "carbon neutral" labels) are legal, honest, transparent and verifiable. When using third-party logos (e.g. FSC®, Fairtrade or Rainforest Alliance), the necessary licenses and permissions must be obtained from the corresponding certification or licensing body prior to use.

WORKPLACE COMPLAINTS MECHANISM

Suppliers shall provide a mechanism for their employees and workers in their supply chain to raise workplace issues and concerns without fear of retribution. This 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.

MONITORING AND EVALUATION

The IOC will monitor its suppliers' adherence to its requirements through various methods, including reviewing documented evidence or independent specialist audits if deemed relevant. Any violations of the IOC Supplier Code may jeopardise the supplier's business relationship with the IOC and may lead to the termination of the contract or cooperation. The IOC reserves the right to take any further legal action at its discretion.

For any questions related to the IOC Supplier Code, please contact

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