

**LOCOG: taking action to ensure respect for workers' rights in  
global supply chains**

**Agreement between**

**The London Organising Committee of the Olympic Games and  
Paralympic Games**

**and**

**Trades Union Congress on behalf of Playfair 2012 Campaign**

**21 February 2012**

## **Background**

The London Organising Committee of the Olympic Games and Paralympic Games (LOCOG) has been engaged in dialogue with the Playfair 2012 Campaign since 2005. Playfair 2012 is jointly coordinated by the Trades Union Congress (TUC) and Labour Behind the Label (LBL). Following dialogue with Playfair 2012, LOCOG established a Sustainable Sourcing Code and included within it, and its contracts with licensees/suppliers, compliance with labour standards set out in the Ethical Trading Initiative (ETI) Base Code. The ETI Base Code is based on internationally recognised labour standards.

LOCOG also developed a complaints and dispute resolution mechanism, enabling workers in their global supply chains to report any violations of their rights. This action followed on from engagement with Playfair 2012.

In addition, the Playfair 2012 campaign has been calling on LOCOG to:

- Ensure that workers in their supply chains know about their rights and how to use the complaints and dispute resolution mechanism.
- Publicly disclose locations of factories producing goods for London 2012.
- Work with unions and labour rights organisations to provide training for workers about their rights.
- Share learning and systems with the International Olympic Committee (IOC) and International Paralympic Committee (IPC) to ensure that progress on respecting workers' rights is built on from Games to Games.

## **Current context**

Research by the international Play Fair Campaign: *Toying with Workers' Rights* (Feb 2012) [link] has shown violations of workers' rights across all labour standards in the ETI Base Code in two factories producing branded goods for London 2012.

On being notified about the findings of this report in January 2012, LOCOG instigated its complaints and dispute resolution mechanism to investigate the claims and seek resolution of any breaches found. The outcome of the steps taken, including addressing any confirmed breaches of the Sustainable Sourcing Code, will be made public as soon as this process is concluded. LOCOG has also been in dialogue with the TUC and Playfair 2012 and has agreed to undertake a number of additional actions to promote and protect the rights of workers in its global supply chains.

## **Moving forward: protecting workers' rights**

LOCOG agrees to take the following actions working with the TUC and Playfair 2012 Campaign:

### **Public disclosure**

In principle, LOCOG believes that full public disclosure of supply chain locations is the right goal for companies to aim for where it is feasible and appropriate in the context of their business activities. So far ten of its licensees have agreed for their factory locations to be publicly disclosed and LOCOG will continue to encourage others to do the same. These

licensees represent 72% of licensed products being produced for London 2012, and production at these factory locations will continue until June 2012.

LOCOG will:

- Publish on its website, as soon as possible, the locations of factories producing products for LOCOG where suppliers and licensees have agreed for such details to be disclosed.

Playfair 2012 will ensure that this information is shared with national and international partners. Playfair 2012 will encourage its partners to resolve complaints, in good faith, using the LOCOG complaints and dispute resolution mechanism, where appropriate.

### **Informing workers about their rights and the complaints mechanism**

LOCOG is working with a specialist labour rights consultant to support its wider communications efforts. This work will focus on China and the UK because the majority of licensed production for London 2012 is located in China and the UK (over 70%). This work will comprise the following:

1. Provision of communications materials for suppliers, licensees and site management.
2. Provision of communications materials for workers and their representatives where they exist, to inform them about and encourage them to use the hotline.
3. Set up of a Chinese language hotline (**Note:** the existing London 2012 Contact Centre will be used to take calls from locations in the UK).
4. Verification and follow-up work to ensure materials have been disseminated and establish what further support is required.

#### 1) Supplier, Licensee and Site communication

These materials will be addressed to Suppliers and Licensees, and Site Management and will explain:

- About the need to comply with the ETI Base Code and national laws
- The hotline.
- Why they must support it.
- What they must do to ensure that information reaches workers in the workplace.

Site management materials will be available in English and Chinese.

#### 2) Educational materials for workers

These materials will comprise:

- A poster with information about worker's rights based on the ETI Base Code and national laws to display in factories.
- A user-friendly leaflet in Chinese and English distributed to workers. This will include information about:
  - (i) Workplace rights according to the ETI Base Code and national laws.
  - (ii) The hotline - what it is for, what workers can expect if they use it, their right to use the hotline to raise a complaint; and how to use it.

These materials will start to be disseminated by the end of February 2012, and will be disseminated to workers in factories by the end of March 2012.

### 3) The Chinese language hotline

- The hotline will be housed in the aforementioned consultant's China office in Guangzhou.
- Staff speaking relevant dialects will be able to log their complaint by telephone, text message or QQ (an online network) – everything will be logged.
- The consultant will endeavour to gather as much information as possible as per LOCOG's requirements/informants' willingness to divulge, and will do a degree of screening.
- The consultant will write up the details in LOCOG's standard complaint ticket template and a final English version will be passed on to LOCOG to feed into the complaints and dispute resolution mechanism.

### 4) Verification and follow-up

LOCOG will work with the consultant to target a number of factories where there is significant ongoing production and there is a long-term relationship with a licensee. The consultant will go into the factories and confirm whether or not steps have been taken to make the worker materials available to their staff and determine whether the factory requires further help and guidance on the ground.

### **Worker training pilot**

A number of LOCOG's suppliers and licensees have longer-term interests in China beyond the Games. The ten licensees who have agreed to have their factories publicly disclosed have also agreed to participate in a worker training pilot.

The nature of this pilot will depend on cooperation from the factories and their respective needs, so a tailored approach will be necessary. LOCOG will take all reasonable steps to secure the participation of the factories.

### Steps:

- 1) LOCOG will write to the ten participating licensees to inform them about the training pilot.
- 2) TUC/Playfair 2012 to liaise with UK and in-country partners about existing training materials and identify partners that could help deliver training.
- 3) Meeting between LOCOG, TUC, LBL and Playfair 2012 partners to set out a framework for the training pilot.
- 4) LOCOG to scope training pilot in factories producing for London 2012. This will be based on:
  - Leverage – licensees with sizeable London 2012 production remaining.
  - Capacity of factory and other partners.
  - Identification of relevant union / NGO partners to work with.
  - Support from licensees with an ongoing relationship with the factory to ensure sustainability of the work.
- 5) LOCOG and Playfair 2012 to agree on:
  - Content of training materials.

- Who will produce them.
- Who will be providing the training.
- In which locations the training will be provided.

The training is planned to be delivered in factories during March and May 2012.

For the UK, there will be a joint project on 'informing workers' about their rights according to the ETI Base Code and national laws with a limited number of UK-based suppliers and also directly contracted suppliers of labour in relation to Olympic and Paralympic venues and sites, established jointly with the TUC and others running right up to the end of Games time.

LOCOG will ensure that adequate financial and human resources will be made available to develop the training materials and deliver the training.

### **Legacy**

LOCOG has taken supply chain engagement and management further and deeper than any previous Organising Committee. However, there is still scope for improvement and there are valuable lessons to share.

LOCOG will therefore:

- Share learning in their knowledge management exchanges with Rio 2016, other future host and candidate cities and the IOC and IPC.
- Commission independent research which will examine progress made on protecting workers' rights in supply chains for London 2012, and where things could have been done differently. This will involve various stakeholders including the TUC, Commission for a Sustainable London 2012, LBL and Playfair 2012 Campaign partners.
- Collect examples of good practice relating to informing workers about their rights and involving workers' organisations in monitoring and improving conditions – from licensees and Playfair 2012 Campaign partners. Specific examples of factories producing for London 2012 will be included.
- Capture learnings through a short publication and series of case studies.
- Set up a transparency workshop, involving all partners including the IOC, IPC, Rio 2016 to discuss guidance on public disclosure and related matters for temporary organisations.

This work will take place between February and November 2012.