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**The Impact of Wide-Scale Sport Events on  
Local Development: an Assessment of the  
XXth Torino Olympics through  
the Sustainability Report**

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**THE IMPACT OF WIDE-SCALE SPORT EVENTS ON LOCAL  
DEVELOPMENT:  
AN ASSESSMENT OF THE XXth TORINO OLYMPICS  
THROUGH THE SUSTAINABILITY REPORT**

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**Abstract**

This paper examines the process and outcome of the sustainability reporting on the last Olympic Winter Games, held in Torino in February 2006, basing on the experience of Bocconi University as scientific partner in such process. Compared to previous Games, Torino Olympics were characterized by a structured sustainability strategy, whose accountability process turns out to be useful in analysing and discussing the contribution to territorial development for hosting areas related to the organisation of the event.

**Introduction**

The organization of the Olympic Games can have multiple impacts on a host city or region, as there can be physical, economic, environmental, social, cultural and political impacts. Although it is widely accepted that such mega-events may have a large impact on (and leave an important legacy to) the host city and region, the Olympic Games have not been part of the sustainability debate so far. Also, the contribution of the Games to long term urban and regional development strategies clearly deserves more attention.

This paper examines the process and outcome of the sustainability reporting on the last Olympic Winter Games, held in Torino in February 2006, basing on the experience of Bocconi University as scientific partner in such process. Compared to previous Games, Torino Olympics were characterized by a structured sustainability strategy, whose accountability process turns out to be useful in analysing and discussing the contribution to territorial development for hosting areas related to the organisation of the event.

The paper is organized as follows. Section 1 highlights key “olympic” sustainability issues, focusing on the most important opportunities and challenges for hosting areas related with the organization and the carrying out of such events.

Section 2 offers a brief summary of the Olympic Movement sustainability policies. Since the nineties, the promotion of sustainable development has become one of the fundamental goals of the Olympic Movement. The inclusion of a dedicated paragraph in the *Olympic Charter* stresses the importance of holding Olympics in such a way to demonstrate a responsible attitude towards social and environmental issues.

Section 3 discusses the Torino 2006 Olympics sustainability reporting process, whose goal was to measure, evaluate, communicate and improve the social and environmental performance of the Organising Committee, by analysing the impact on

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the territory of the activities that were carried out, the ethical level of organisational behaviour and the level of involvement and dialogue with the stakeholders. Stakeholder involvement, in particular, has been a crucial part of the process, as it was aimed at increasing effectiveness of reporting and ensuring that decisions actually reflected the diverse interests of all different actors involved. Among the different stakeholders to whom the report was addressed, the paper focuses in particular on *local institutions* and *sport organisations*, in order to highlight the importance of active co-operation and interaction between the various parties involved in the organisation of the Games, and *local community*, describing the activities and efforts made for the development of the territory and the involvement of its inhabitants.

Recommendations for responsible public authorities, organisers of future Olympic Games (and large-scale sport events) and other social - economic actors involved are finally discussed in the paper.

### **1. Hosting the Olympics: challenges and opportunities for a territorial sustainable legacy**

Over the last 20 years, the Olympic Games have experienced unparalleled growth and universal popularity. This is the largest and most successful sport event in the world, whose increasing participation and global interest have made the Olympics the most visible and spectacular public cultural event in modern society (Guala, 2002; Roche, 2000). At the same time, the Olympics have evolved into an event that has significant socio-economic implications for host cities and regions, as it calls for the planning and implementation of a wide series of activities and interventions throughout the territory. The construction of new sport and accommodation facilities and the investments in tourism, transport, sanitation and telecommunications infrastructures (required to stage the Games) often act as a catalyst for economic growth, urban renewal and territorial transformation, leaving the interested area with a positive legacy<sup>1</sup>.

A review of the literature on the effects of the Olympic Games on host cities clearly points out the wide amount of studies and analysis related with the economic impacts of the Games, while the understanding of their social and environmental long-term impacts still remains largely unexplored. Actually, even if it is widely accepted that such mega-events may have a large impact on (and leave an important legacy to) the host city and region, the Olympics have not been part of the sustainability debate so far (Essex and Chalkley, 1998, 1999; Preuss, 2002a,b). According to the United Nations' definition, sustainable development is a balanced development between people's economic and social needs and the ability of the earth's resources and ecosystems to meet present and future needs. Also widely accepted is the three-dimensional nature of sustainable development, including *economic*, *social* and

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<sup>1</sup> Several examples in olympic history show that hosting the Games may offer the opportunity for extensive urban renewal. In some cases, the Olympic Games have allowed entirely run-down areas to be upgraded: in Barcelona, the renovation of the seafront area, a strip of 5.2 km of coastal landscape, was transformed and now offers attractive leisure and recreation opportunities for visitors and residents as well. In Sidney, the Olympic Park in Homebush was built in a former derelict industrial area full of toxic waste, offering today the major sporting and recreational centre in Sydney (Furrer, 2002).

*environmental* issues. In few words, this concept refers to a path of socio-economic development that would be financially balanced, socially equitable, ethically responsible and adequately integrated in the long-term ecological balance of the natural environment.

Since the Rio Earth Summit in 1992, a large number of ideas and policy recommendations have been produced and many countries have been working towards the implementation of sustainability; though, little progress seems to have been made in certain areas, as regards in particular the understanding of the inter-relationship between the three pillars of sustainable development. From this point of view, it may be argued that the Olympic Games, thanks to their multidimensional nature, symbolize the notion of a truly global event, and may therefore represent a very interesting investigative field to shed new light on the debate over sustainable development. Still, at first sight, there seem to be a contradiction between the concept of sustainable development and the characteristics of the Games as a wide-scale event. Actually, the high concentration implied by the Games in terms of *time* (a two-week event), *space* (one host city only, or even specific areas within the city) and *investment* (the operating and infrastructure costs of the Games are in billions) seems to conflict with the concept of sustainable development, that calls for the distribution and sharing of environmental, social and economic impacts across time and space for spreading benefits and minimising negative effects on the whole society.

With reference to *temporal concentration*, the strict deadline to which an Olympiad is subject has the potential to accelerate planning procedures and operational activities, thus running the risk of preventing a long-term urban policy, tailored to the needs of the hosting areas. Still, the impossibility of postponing the event date may be used to justify the centralisation of decisions made by local authorities and organising committees, thus preventing consultation and involvement of local stakeholders, and local community in particular (Owen, 2001).

As regards *spatial concentration*, principles of sustainable development usually support the dispersion of impacts and investments over time and space, so as to minimise pressure on the environment and avoid the potential for unequal distribution between communities. From this perspective, the planning and realisation of new structures and facilities for olympic events should pay particular attention to venue distribution within hosting areas: while a concentration of venues may fulfil organisational needs (e.g. joint logistics, back-up services, etc.), it may also work against an equitable distribution of the events' benefits across the host city and region. The construction of new structures and venues according to the needs and standard required for the Olympic Games runs the risk of leaving the territory with a negative "*white elephant*" legacy. Literature on wide-scale events often refers to this metaphor to identify over-sized venues and facilities that are planned according to the needs and size of the event (e.g. olympic-size), and leave behind local community's needs related to leisure, cultural and sport facilities (Caratti di Valfrei *et al.*, 2006; Furrer, 2002).

Still, from a financial perspective, the amount of investments required in the host city is impressive and has continued to grow rapidly over the last few editions. These investments are often concentrated in specific areas of the host city, and this may result in a disadvantage for surrounding areas not directly involved in the event<sup>2</sup>.

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<sup>2</sup> One of the characteristics of the Olympic Games is that it brings more than US\$ 1 billion worth in contributions from the International Olympic Committee (IOC) to the host city for the operating cost of

Despite all these potential negative impacts, hosting the Games may generate many potential benefits as well. Leaving apart the potential for economic growth, urban renewal and territorial transformation related with the wide amounts of activities and interventions on hosting areas, the Games can provide many social and environmental benefits as well. As regards the environmental impacts, although hosting the Olympics often implies new construction and additional pressure on the environment through increased traffic, water consumption and waste production, the Games may nevertheless bring several environmental benefits, as well as new standards in the building industry, use of renewable energy sources, innovations in environmentally friendly technologies, upgrade of water and sewage treatment, new waste and environmental management systems and related education programmes.

From a global perspective, it is worth noting that these positive impacts do not refer to a *material* legacy only (e.g. new or upgraded sports and multi-functional venues, infrastructural improvements, increased income and occupation, etc.), as the concept of “olympic legacy” may as well include a relevant *immaterial* dimension, which is strongly related to social and human capital production. First, the organisation of the Games can provide a unique opportunity for developing and improving professional skills and capabilities among the host population. From this point of view, the responsibility of local authorities and event organisers may be mainly seen as a commitment to leave a legacy of qualified resources and organisational competences. This may be achieved through appropriate training programmes covering all the activities required to set up and carry out the Games (safety and security procedures, health and medical assistance, antidoping procedures, broadcasting operations, spectator services, etc.).

If we adopt a “governance perspective”, the Games can also produce positive impacts such as new forms of public-private partnerships in leading and implementing major projects, stronger co-operation among public authorities, enhanced networking between the various socio-economic actors involved in the event.

Furthermore, the organisation of the Games represents a unique opportunity to spread the practice of sports as well as promote olympic values and education among the host country. Principles such as *respect*, *tolerance*, *participation*, *fair-play* and *solidarity* are key olympic values, whose promotion through event communication activities can clearly contribute to strengthen social cohesion and integration.

Finally, hosting the Games offers a unique opportunity to promote and disseminate sustainability values. As the eyes of the world turn to the host city during the Games, these become the ideal stage upon which principles, examples and good practices of sustainable development can be “showcased”. Actually, the policies of the Olympic Movement have developed over the last decades in the direction of an increasing awareness of the role of sports with regard to the wellbeing of mankind and society in general. Within this context, the concept of sustainable development has been gradually embedded by the organising committees in the Games, through the adoption of tools and instruments aimed at integrating protection of the environment, social solidarity and economic well-being.

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the event. This investment is for the most part a share of the IOC-negotiated TV rights fees and sponsorship deals, and represents half of the organising Committee’s operating budget (Furrer, 2002).

The following section summarises the Olympic Movement sustainability policies, sketching the policy reference framework for the Torino Olympics sustainability reporting experience.

## 2. The Olympic Movement sustainability policies

The Centennial Olympic Congress (Paris, 1994) was the first to recognize the importance of sustainable development in sport activities, stating the strong commitment of the International Olympic Committee for the inclusion of a dedicated paragraph in the *Olympic Charter*. It stressed the importance of holding Olympic Games in conditions which demonstrate a responsible attitude towards social and environmental issues. Since then, the promotion of sustainable development has become one of the fundamental objectives of the Olympic Movement, whose leading goal is “to place everywhere sport at the service of the harmonious development of man” (IOC, 2001). Thanks to the universality of its value-system, and of its social function and messages, sport and especially the organization of the Olympic Games can play a major role in promoting sustainable development, by undertaking measures and initiatives to reflect such concerns and by educating all those connected with the organization of the event in how to focus on the importance of sustainable development.

In June 1999, the IOC Session in Seoul approved the *Olympic Movement Agenda XXI*, encouraging every member of the Olympic Movement to play an active role in promoting sustainable development in relation to sport activities. From a social perspective, it is worth noting that the principles of the Olympic Movement Agenda XXI are wider than just the environmental considerations. The aim is also to increase involvement of the local population, improve the socioeconomic and health benefits related with sport organization and activities, strengthen international co-operation projects for sustainable development, prevent social exclusion, encourage new consumer habits, promote a “sport infrastructure” which is even better adapted to social needs, and further improve the integration of development and environmental concepts into sports policies (IOC, 1999).

Even the concept of Olympic legacy has substantially increased its importance over the last few years. The notion of post-Olympic use of venues now appears as a significant criterion in the bidding process, and it is mentioned several times in the *IOC Manual for Candidate Cities* (IOC, 2001).

Finally, in the latest version of the *Host City Contract* (the tripartite contract signed between the IOC, the host city and the organising Committee), the IOC explicitly mentions for the first time the need to strive for a positive Olympic legacy, as “It is the mutual desire of the IOC, the City and the NOC that the Games be organised in the best possible manner and take place under the best possible conditions for the benefit of the Olympic athletes of the world, and that the Games leave a positive legacy for the City and the Host Country” (IOC, 2002).

### 3. The Torino 2006 Olympic Winter Games: sustainability policies and tools

Since the bidding phase, Torino Winter Olympics were conceived as an opportunity to redefine the urban identity of the host city, aiming at positioning the city beyond its “heavy industrial past” and ensuring that adequate attention and respect would be paid towards the territory, both in the organising phase and during the event, “*guaranteeing the sustainability of the Olympic System also after the Games time*” (Toroc, 2002).

As part of the Olympic Movement, the Torino 2006 Organising Committee (Toroc<sup>3</sup>) recognised and adopted the Olympic values in defining and setting up its sustainability policies:

- *The Green Card* - the document, presented during the candidacy phase of what was then just a “bidding Committee”, emphasises two fundamental conditions for the practice of sport activity to be sustainable: it must guarantee *real benefits*, recognised by all parties involved (athletes, organisers, spectators, public authorities, associations, sponsors, suppliers, local communities), and it must *define rules* and *identify specific responsibilities* for the organization of sport events;
- *The Charter of Intents* - elaborated in April 2002, the Charter sets forth the principles that constituted the basis for Toroc’s activities, representing its commitment in dealing with ethical, environmental and social issues;
- *The Environmental Policy*, approved in May 2003 within the scope of the Committee’s activities oriented towards its environmental certification<sup>4</sup>.

#### **Art. 1 – Responsibility**

*The primary responsibility for the safeguard and protection of human rights lies with the States and, therefore, with their governments. They are under an obligation not only to comply and enforce compliance with national laws, but also to include in their legislation the rules that they have willingly undersigned and that are internationally binding, as is the case with the Olympic principles. [...]. The Universal Declaration of Human Rights requests that “every individual and every organ of society [...] shall strive by teaching and education to promote respect for these rights and freedoms and [...] to secure their universal and effective recognition and observance [...]”. The Olympic Movement is deeply involved in the promotion of these principles, recalled in the Olympic Charter and the IOC Code of Ethics. [...]*

<sup>3</sup> Toroc is the acronym of the *Organising Committee for the XX Olympic Winter Games Torino 2006*. It was a private non-profit foundation, administered by members drawn from different parties involved in the organisation of the Games (Municipality of Torino, Province of Torino, Piedmont Region, Consortium of Mountain Communities, CONI and the Sports Federations).

<sup>4</sup> In September 2004, Toroc obtained the EMAS registration (EC Regulation no. 761/2001), following the previous certification according to ISO14001 standard. The choice of a “twin system” originated from the will to adhere to a standard recognised at international level (ISO, International Standard Organisation) and to adopt a tool fitted for environmental communication such as the *Environmental Statement*, required by the EMAS Regulation. As the first organisation in the field of sports to adhere to EMAS, the General Directorate for the Environment of the European Commission entrusted Toroc with the mandate to prepare the *Guidelines for the application of EMAS to sporting events*. The *Guidelines* were published on the Commission’s website in march 2005 ([www.europa.eu.int/environment](http://www.europa.eu.int/environment)).



**Art. 2 - Non-discrimination and Freedom**

*All human beings are born free and equal in terms of dignity and rights. [...] without any limitations on account of their race, colour, sex, language, religion, social or national origin, political opinions. Each individual is entitled to freedom of thought, conscience and religion. Every individual is entitled to freedom of opinion and expression, peaceful assembly, association. The respect of such principles and rights [...] must be rigorously guaranteed both for the athletes and for the workers engaged in organising, preparing, staging and participating in the 2006 Olympic Games.*

**Art. 3 - Life, Health and Safety**

*All men have a right to life, health, freedom and personal safety. [...] All workers have a right to healthy, safe and decent working conditions. It is essential to reassert the absolute prohibition of any doping practices, on account of such practices being extremely harmful to people's health and physical integrity, and to censure compliance with the Olympic Movement Anti-doping Code. Training practices of an exceedingly intensive and vexatious sort, or that might impair an athlete's physical or psychological integrity, are to be rigorously banned. [...] Athletes, workers and all the people involved in organising, preparing, staging and participating in the 2006 Olympic Games have the right to work in conditions ensuring their safety and wellbeing, and are entitled to the medical care they need for their psychophysical equilibrium. Safety on the job, accident prevention, respect of minimum working age limits, safeguarding female workers' rights, the provision of adequate protective measures at the sites and throughout the organisational process before, during and after the Games are all basic prerequisites for the success of the event. [...]*

**Art. 4 – Solidarity**

*Solidarity is a fundamental value of the Olympic Spirit. Sporting activity is an important means through which to spread and share the principles of solidarity, integration and mutual respect; it is a fundamental experience that involves joining in in community activities, social participation and learning about peace. Because of this, the principle of “Olympic solidarity” takes on different meanings: brotherhood between different peoples, social responsibility towards the underprivileged and disadvantaged, the attribution of equal status to different sporting disciplines and to the various levels at which each discipline is practised. [...] Furthermore, support will be given to volunteer projects carried out at local level [...].*

**Art. 5 - Minors**

*Minors have the right to profit from measures of protection and promotion, ensuring that they can achieve a balanced development from a physical, intellectual, moral, spiritual and social viewpoint, in conditions of freedom and dignity. [...]*

**Art. 6 - Culture**

*[...] The Olympic Games are [...] the ultimate expression of “sporting culture” based on the educational values of commitment and a good example, on the ethical principles of loyalty, will and collaboration as well as of the spirit of sacrifice. The Organising Committee will be constantly engaged in the dissemination of sporting culture, both in terms of promotion of knowledge about the disciplines and in facilitating the public's access to sport practice, as well as by the cultivation of social interaction characterised by the values intrinsic to sport. [...] A “sporting education” project will be launched [...] aimed at establishing at a local level the skills and passion involved in sport together with its associated values. While the Games are taking place and during their organisation, the cultural heritage of the region will be upheld by means of respect for and conservation of its historical and artistic patrimony and through the promotion of its cultural legacy. [...]*

**Art. 7 - Sustainability and Environment**

*The IOC identifies the environment as the third component of Olympism since there is no future for sport development, if environmental values are not considered as the core of any intervention policies. The whole process of organising the Olympic Games will have therefore both to guarantee the highest level of safeguard of the territory, as well as to pursue the objectives of environmental improvement [...]. The planning and implementation of the infrastructures will aim at minimising the impact on the environmental components [...] The staff involved in the organisation of the Games will be appropriately trained and informed on the potential impact of their behaviours on the environment. The products, consumables and services used [...] will have to be selected on the basis of their environmental performance; at the same time, actions will be taken so as sponsors can adopt behaviours oriented to sustainability.*

**Art. 8 - Integrity and Transparency**

*The strict compliance with the rules and principles regarding integrity contained in the IOC Code of Ethics is a prior commitment to be undertaken. To support this commitment, it is necessary to ensure a high degree of transparency, on a continuous basis, also through the employment of suitable tools, throughout the various stages of realisation of the Games. [...] Integrity, transparency and participation should be viewed not as constraints, but rather as conditions of efficacy and efficiency, in that they enhance the credibility and authority of the complex action of “governance” on which the success of the Games hinges. [...]*

**Art. 9 - Dissemination**

*The Organising Committee ascribes the utmost importance to the diffusion of this Charter. [...] The awareness of the Charter content and implications by all the people involved in various ways in the participation, organisation and management of the Games, will make it legitimate and effective. The dissemination of this Charter and the principles contained herein can contribute to the growth of the local, national and international community. [...]*

**Art. 10 – Participation**

*This Charter is meant to serve as an important element of liaison, integration and communication with the community at city, provincial, regional, national and international level. [...] The Organising Committee requests on this Charter a wholehearted commitment and active support of the public bodies and private organisations involved on any account in the XX Olympic Winter Games Torino 2006.*

**Table 1 - TOROC Charter of Intent**

Given this policy framework, Toroc carried out a considerable number of projects and activities aimed at giving practical application to the sustainability commitments contained in the Charter. Actually, whilst since *Lillehammer 1994 Olympics* environmental issues have been considered in the preparation and staging of the Games<sup>5</sup>, Toroc was a pioneer in the sense that its sustainability strategy was not limited to environmental aspects only. By taking into account the social and economic dimensions of sustainability (and providing for their accountability as well), Toroc’s experience is likely to play an important role in the current and future debate on the

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<sup>5</sup> Olympic Winter Games in Lillehammer 1994 were the first “ecological” Games, although this statement owes much to a successful proactive communication strategy. A significant turning point in the “greening” of the Games took place in 1993, when the Sydney 2000 Games Bidding Committee released the *Environmental Guidelines for the Summer Olympic Games* prior to winning the right to host the XXVII Olympiad. Within the framework of the Olympic Movement Agenda XXI, Athens 2004 Organising Committee exploited the Games as a material demonstration of environmental sensitivity and practice before the Greek and the international community (Furrer, 2002).

opportunities of urban and regional sustainable development for hosting areas related with the organisation of big events.

Among Toroc's sustainability initiatives, a key role was played by the process of *sustainability reporting*, whose goal was to measure, evaluate, communicate and improve the social and environmental performance of the Committee, analysing the impact on the territory of the activities carried out, the ethical level of organisational behaviour, and the level of involvement and dialogue with the stakeholders.

In general terms, sustainability reporting may be defined as the process for public disclosure of an organisation's economic, environmental and social performance. While financial reporting is primarily targeted to shareholders, sustainability reporting has a wider and diversified audience, as it is aimed at addressing the expectations of all the stakeholders affected by the organisation's activities. Recent years have witnessed an explosion in the number of organizations reporting on their environmental and social performance and targets; the trend has widened out rapidly to embrace most sectors and typologies of organisations. However, Torino 2006 Olympics was the "first time ever" for an Olympic Committee, whose pioneer experience has drawn the attention of the International Olympic Committee, who is resolving to make sustainability reporting a systematic activity within the organization of future Games<sup>6</sup>.

### **Toroc Sustainability Report: goals and methodology**

The project of sustainability reporting started in June 2003 and led to three editions of the Report, covering Toroc's sustainability performance from 2003 to 2006. Bocconi University was involved as a scientific partner in the project, as regards in particular the analysis of the social and economic dimension of sustainability and the management of the accountability process as a whole.

The *Sustainability Report* was the main tool adopted by Toroc to verify the degree of implementation of the Charter of Intents principles. It was specifically aimed at:

- defining a clear, transparent and comprehensive picture of the ethical, social and environmental services provided within the scope of the olympic activities carried out, showing its positive and negative effects through the assessment of performances related to the socio-economic and environmental impact on the territory;
- orienting Toroc's conducts and future actions towards an improvement of performances, through the identification of organisational, structural and relational working methods able to enhance the positive social and environmental consequences of the activities carried out on the territory;
- providing a reference for the dissemination of "best practices" for the sporting world in the field of environmental and social management and reporting of sporting events.

As the aim of this paper is not to analyse all sustainability impacts of the Game, but to focus on local and territorial issues, we will discuss hereby on some of the most

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<sup>6</sup> According to IOC, sustainability reporting should become a systematic activity of Olympic Organising Committees starting from *Vancouver 2010 XXI Winter Olympics*.

relevant steps of the reporting process, mostly related to the territorial impact of the events. Still, as the urban and regional impact of the Games is a wide issue itself, we will analyse in-depth only some key-aspects, with the aim of highlighting the local dimension of olympic legacy and some important conditions to be taken into account in order to guarantee this legacy to be positive and durable for hosting areas and local communities involved.

### *The methodological approach*

The methodological standard reference chosen in elaborating the Report was the “*Sustainability Reporting Guidelines*” (2002 ed.) of the Global Reporting Initiative (GRI), one of the most outstanding and internationally recognised standard reference within sustainability reporting<sup>7</sup>. As GRI clearly states, there is no such thing as a “common” sustainability report, since the nature of each report depends on the range of stakeholders for whom it is intended, what the reporting organisation is trying to achieve, and the variety of issues covered. GRI recommends flexibility in using the Guidelines, in order to provide and disclose all the necessary information for assessing the reporting organisation’s sustainability performance (GRI, 2002). A specific focus to the organization’s peculiarities is a caution that holds true especially for an Olympic Committee, because of the complexity of the cross-cutting issues emerging from its processes and activities, which affect multiple dimensions.

In order to properly account for the distinctive characteristics related with the organization of the Games - not always entirely identifiable within the GRI framework - the set of reference indicators was enriched by:

- the indicators of the *Olympic Games Global Impact (OGGI) Project*, promoted by the IOC. Developed by the AISTS<sup>8</sup>; OGGI is a reporting model for the economic, social and environmental impacts specifically elaborated according to the needs of the Olympic events. The model is still in its preparatory stage and was used by Toroc, following an agreement with the IOC, on an experimental basis;
- the use of *ad-hoc* indicators, specifically elaborated to account for some social, environmental and economic aspects of the Committee’s activities.

As regards the environmental dimension of sustainability, the reporting project had to take into account the development over time of the environmental programmes planned within the scope of the Committee’s Environmental Management System<sup>9</sup> and of the environmental indicators included in the *Environmental Monitoring Plan*, provided for by the procedures of *Strategic Environmental Assessment*. Actually, the activities of the Torino 2006 Olympic Program represented the first case in Italy and

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<sup>7</sup> Working in close cooperation with the United Nations, the GRI is a long-term, multi-stakeholder, international network, whose mission is to develop and disseminate globally applicable sustainability reporting guidelines. While the GRI Guidelines have been primarily developed with the needs of business organisations in mind, today many other types of organisations such as government agencies and non-profit organisations are applying them. As today, there are more than 900 reporting organisation around the world formally using the GRI Guidelines ([www.globalreporting.org](http://www.globalreporting.org)).

<sup>8</sup> *International Academy of Sport Science and Technology*, Losanna ([www.aists.org](http://www.aists.org)).

<sup>9</sup> See note 4.

one of the first in Europe of the application of the *Strategic Environmental Assessment (SEA)*<sup>10</sup>, a tool designed to evaluate in advance the compatibility of far-reaching plans and programs, and therefore to eliminate or reduce the potential environmental impacts at their source. Section 3.5 focuses on some of the main environmental impacts accounted for within the environmental activities of the Committee.

The specificities of the organisation also emerged in relation to the economical aspects of its activities: in the sustainability reports of the commercial corporations, added value created by the company and its distribution among the various stakeholders is normally represented by means of a reclassification model of the income statement for the allocation of added value among the various participants in the distribution (staff, associates and financial backers, communities, the State, local authorities, etc.). This model was not suitable for Toroc because of the non commercial nature of the Committee: as the purpose of the foundation was not the creation of added value, but to attract financial resources and their management aimed at the success of the olympic event, the standard reclassification model of the entries in the income statement was reviewed and “customized” according to the situation of the organisation (Toroc, 2004).

#### *The sustainability reporting process*

The process started with an in-depth analysis of Toroc processes, aimed at identifying all decision-making, management, organisational, technical and operational activities of the Committee able to create an impact from an ethical and social point of view:

- *internal*, through an analysis of the structure and internal processes of the Committee;
- *external*, through the mapping and the analysis of the relationships with external parties involved in the Olympic event.

The initial analysis led to the identification of *three different dimensions* according to which the activities of the Committee could be analysed:

- *Organization*: relating to all the activities and processes “*inside*” Toroc organizational structure (employee management, procurement activities, legal affairs, etc.);
- *Context*: relating to all process linked to the event and its organization, having medium and long term impacts on the territory (the sport and accomodation structures construction, the intervention on infrastructures, etc);

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<sup>10</sup> In 2001, the European Commission adopted the SEA Directive 2001/42/EC, whose purpose is to ensure that environmental consequences of certain plans and programmes are identified and assessed during their preparation and before their adoption. The public and environmental authorities can give their opinion and all results are integrated and taken into account in the course of the planning procedure. After the adoption of the plan or programme, the public is informed about the decision and the way in which it was made (<http://ec.europa.eu/environment/eia/home.htm>).

- *Event*: related to all processes and activities with a direct link to the carrying out of the Olympic event (sport competitions, transport logistics, spectator services, etc.).

Each dimension was intended to capture one facet of the Olympic Games' global impact, in order to provide the most complete representation of their social dimensions. From such perspective, the *temporal dynamics* of the Committee's activities - subject to rapid evolution as the event approached – emerged as a significant aspect as well. As the competition approached, in fact, the operational and managerial activities relevance and impact increased (compared to those regarding the planning and scheduling of the event). These changes implied a variation of social, environmental and economic implications of Toroc's activities, orienting the reporting process towards a corresponding enlargement of the accountability boundaries. Actually, the first edition of the sustainability report mostly focused on the internal organisation; the second edition enriched the scope of reporting, deepening the aspects related with the organisation of the event. The third and latest edition aimed at reporting Toroc's sustainability performance *during* the Games, providing at once an overall assessment of the impact on the territory of the Committee's activities since its foundation and of its foreseeable legacy.

From a methodological point of view, it is worth noting that the exact correspondence between GRI/OGGI indicators and the ethical and social impacts identified was sometimes difficult or impossible to recognize. Some indicators/areas appearing as *additional* in the GRI scheme turned out to be *essential* for Toroc activities: it is the case, for instance, of the accountability of the *security policies and programmes*, as the Committee was responsible to organise and manage, in close collaboration with local and national law enforcement officials, a wide and severe security programme aimed at safeguarding everyone involved in the Olympic event.

In other cases, it was necessary to adapt the GRI scheme, in order to consider the specificity of the different actors involved in the event. With reference to *health protection*, for example, the GRI structure appeared inadequate, as health protection of different actors involved in the event (personnel, athletes, public, disabled etc) required a specific approach to each of such categories. Actually, preserving the health and safety of all the people concerned with the organisation and staging of the Games required the planning and implementation of a series of activities in cooperation with local institutions and competent authorities. Besides preserving the employees' health and safety, Toroc had the responsibility to protect and manage the hygienic-health aspects and safety during the events. This meant not only the implementation of suitable safety measure for competition sites, but also the setting up of an adequate health service system, under normal and emergency situations, fully respecting medical practices and privacy.

As regards *human resources*, the GRI scheme provides a set of indicators (employees composition, working conditions, etc) necessary but not sufficient to account for activities with a high social impact such as *Voluntary Service*. The Volunteers Programme of Torino 2006 recruited, trained and managed over 20.000 volunteers during the Games. From the social capital production point of view, volunteerism represents the coming together of individuals to work on a particular project, thus leading to a considerable expression of social cohesion and integration. Still, as better examined in section 3.3 below, training accompanied the entire

experience of Torino 2006 volunteers, equipping them with specific skills and supporting the growth of their own motivations and awareness of the social issues and problems of their own territory.

The analysis, guided by the GRI and OGGI standard reference, was the starting point for the definition of the activities to be accounted for, by means of an in-depth exam of the documentation and procedures of the various functions of the Committee, aimed at the identification of the nature and importance of the social implications of the activities carried out by Toroc. The phase concluded with the identification of a series of impacts, and ethical and social implications, providing a first assessment of the key social issues (weak and strong points). This was followed by a phase of direct involvement of the organisational structure, through a series of meetings with those responsible for the various Departments, in order to share and validate the social implications identified.

Once these factors were identified and classified (on the basis of their consistency with the principles of the *Charter of Intents*), they were gathered into a framework that was used as a “reference map” for defining the reporting perimeter and for the drafting of the Sustainability Reports. Indeed, the structure of the documents reflects the principles of the *Charter of Intents*, as milestones for the description of Toroc commitment towards different areas of sustainability and of the related performance.

The table 2 contains a simplified representation of the comprehensive analysis that has been carried out on Toroc processes and activities, providing some useful examples of the connections identified between GRI performance indicators, activities and the principles of the *Charter of Intents*.

By focusing on territorial development, the next sections deal with some of the most significant areas in terms of sustainability implications for Olympics hosting areas:

- **Participation**, describing the process of stakeholder involvement and summarizing the analysis carried out within the sustainability reporting project to account for the *Olympic Volunteers Programme*;
- **Culture**, concerning in particular the opportunities for promoting sport culture, and disseminating/increasing awareness on the values of Olympism related with the *Olympic Education Programme*;
- **Environment**, focusing on the accountability activities Toroc had to deal with as regards its major environmental projects and the SEA accountability and operating requirements;
- **Economic growth**, dealing with the direct and indirect economic effects on hosting areas related with the organisation of the events.

<b>GRI Sustainability Reporting Guidelines Indicator</b>	<b>Corresponding Toroc Activities</b>	<b>Dimension</b>	<b>Charter of Intents Reference</b>
SO1 – Description of policies to manage impacts on communities in areas affected by activities, as well as description of procedures and programmes to address this issue, including monitoring systems and results of monitoring.	Meetings and relations with local institutions (Region, Province, Municipalities)	Context	Participation (Art. 5)
	Meetings and relations with the Environmental Advisory Assembly	Context	
	Relations with Trade Associations and the Chamber of Commerce	Context	
EC10 – Donations to community, civil society, and other groups broken down in terms of cash, and in-kind donations per type of group.	Contributions paid to local sports organisations	Context	Solidarity (Art. 4)
PR1 – Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures and programmes to address this issue, including monitoring systems and results of monitoring.	Olympic Health Plan	Event	Life, Health and Safety (Art. 3)
PR6 – Voluntary code compliance, product labels or awards with respect to social and/or environmental responsibility that the reporter is qualified to use or has received.	ISO 14001 Certification	Organisation	Sustainability and Environment (Art. 7)
	EMAS Registration	Organisation	
EN33 – Performance of suppliers relative to environmental components of programmes and procedures of the reporting organisation	Environmental Projects for the involvement of Toroc economic Partners.	Event	Sustainability and Environment (Art. 7)
HR6 – Description of policy excluding child labour as defined by the ILO Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures and programmes to address this issue, including monitoring systems and results of monitoring.	Policies on the protection of minor athletes in the competition	Event	Minors (Art. 5)
HR13 – Description of jointly managed community grievance mechanisms/authority.	Detached Toroc presence over the territory	Context	Participation (Art. 5)

**Table 2 – Olympic activities and sustainability performance indicators**



## Stakeholder involvement

Generally speaking, stakeholder involvement is a crucial part of a sustainability reporting process, since a primary goal of reporting is to contribute to an ongoing stakeholder dialogue. Reports alone provide little value if they fail to inform stakeholders or support a dialogue that influences the decisions and behaviour of both the reporting organisation and its stakeholders (GRI, 2002).

Within the goals of the reporting project, the Sustainability Report was conceived as a communication tool aimed at both internal and external actors, that were interested in the implementation of the Games and their impact on the territory. The Report was aimed at starting up and endorsing a process of involvement, communication and dialogue, in order to promote and spread the principles and values of the *Charter of Intents*, to identify the expectations and needs of the different stakeholders with regard to the Toroc's activities, and to communicate the efforts made to satisfy them.

Once again, "stakeholder involvement" had a peculiar meaning in the context of the Olympic Games, because of the number, variety and complexity of the relations with the interested parties. Toroc had indeed relations at the local level with local authorities, associations, environmental groups, labour organizations, community groups, universities, etc. In addition, the Committee also developed relations, initiatives and projects concerning sustainability with international organisations and institutions. Therefore, it was particularly important to clearly understand who the relevant stakeholders were, in order to set up specific dialogue and consultation focus groups with them.

At the very beginning of the project, the adoption of the previously described *Organization- Context-Event* approach, allowed the carrying out of a *stakeholders' mapping*, aimed at assessing the current and desired level of involvement and consultation of the stakeholders. Among the groups of stakeholders identified, the analysis highlighted two categories whose involvement was considered essential both to guarantee the success of the event and to leave the territory with a positive legacy:

- the *territorial stakeholder*, with particular reference to local institutions and local communities;
- the *sport system*, both at international level – the members of the Olympic Movement and the International Federations - and at national and local level - the National Federations and the organisations belonging to the territorial sport system.

Dialogue represented an important factor for improving the connections, social integration and communication with the local community. Toroc's commitment to engage with local stakeholders was primarily aimed at the enhancement of the role and activities carried out by its statutory bodies:

- the *local consultative assembly* – the assembly, created with consultative functions, was composed of Municipality representatives, of the Consortium of Mountain Communities involved in the Games and of the representatives of other associations and institutions from the hosting area. From 2002 to the staging of the Games, this assembly met every two months to discuss specific issues of interest to its members, such as the

progress made towards the completion of the Olympic works, the integration of the activities and services set up for the Games with the “ordinary” city activities, the organisation of the Olympic cultural programme, etc;

- the *environmental consultative assembly* - the assembly was created with the aim of bringing together representatives from local institutions and from primary environmental and social NGOs to discuss and share the Committee’s environmental policies and initiatives. During the bimonthly meetings, the members of the assembly discussed the results of the Environmental Monitoring Plan and shared the programmes for the promotion of the environmental protection on the Olympic territory.

Dialogue with local stakeholders went beyond the activities of the two statutory bodies. Since its foundation, Toroc was continuously engaged in local relations and communications initiatives. Just as an example, two permanent Toroc offices were opened in two olympic Municipalities, with the aim of jointly understand and analyse the problems and the impacts on the areas concerned, and ensuring adequate co-operation with the local interested parties.

Local community consultation strongly impacts on social capital: it strengthens networks of trust and community engagement, that make it easier to solve problems that affect the local context. Within the Olympic Games area, the involvement of local stakeholders played a key role not only in terms of marketing of the event, but also in terms of “*consensus building*”, e.g. by promoting new social ties among public and private parties. However, it must be underlined that, for the Olympic Games to become a potential source of social capital, local stakeholder involvement must be effective and integrated at an early stage in the organisation of the event. A lack of community consultation may, in fact, increase opposition to olympic-related projects, thus preventing the possibility of a long-term co-operative networks and, as a consequence, a good legacy in terms of “governance framework”.

As we previously mentioned, the stakeholders’ mapping suggested to focus the attention on another interest group, whose involvement was essential for the Toroc’s mission to organise and manage the event: the *sport system*. The Olympic Games are characterised by being among the sport events with the broadest involvement of sports parties and organisations coming from all over the world. The management of these relations had to be carefully developed at various levels, concerning both international organisations and national bodies, through the Italian National Olympic Committee (CONI), the Italian Federations and local sports organisations. Indeed, both the success of the events and the possibility of leaving a positive legacy to the territory<sup>11</sup> depended to a great extent on the relations with these parties.

At the local level, the involvement of the sport system was not limited to enabling the local practitioners to take part into the Olympics, but many Toroc initiatives were also devoted to support and increase the practice of winter sports across the territory. Among the projects carried out, the Committee developed, in partnership with the CONI, a wide communication plan, aimed at informing local delegations about the olympic event, and promoting at the same time the development of sport activities

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<sup>11</sup> E.g.: in terms of the practice of some sports, that the local organisations could maintain and consolidate.

through the post-olympic use of the newly build structures. Within the activities of the plan, 31 meetings were carried out across the territory, promoting the development of many initiatives in collaboration with local authorities, local media, schools and universities.

At the international level, the most significant project was the *Transfer of Olympic Knowledge (TOK) Programme*. The Programme, coordinated by IOC, aimed at enhancing the transfer of knowledge between Olympic Games Organising Committees. It is based on a combination of methods to collect, organise and use the *know-how* of organising the Games from previous organising Committees. The purpose is to provide assistance to future Games organisers and to give them the necessary background and practical examples, thus allowing them to develop and implement the best possible organisation in their given environment. To our ends, it is worth noting that Toroc experience in sustainability reporting was embodied within the Programme: the three editions of the Report were collected within the TOK Post-Games documentation, providing for a comprehensive sustainability assessment of the Torino Olympic Games. Actually, the inclusion of Toroc Sustainability Reports within the TOK Programme will support future Games organisers in their use of sustainability monitoring and reporting tools, providing at the same time a useful benchmark between olympic experiences.

#### ***The Olympic Volunteers Programme***

The recruitment and participation of volunteers is a tradition for the Olympic Games<sup>12</sup>. In order to fully assess Toroc's sustainability performance, this dimension had to be taken into account in the Report. Actually, the contribution of volunteers to the Olympics goes beyond the simple fact of providing services to the athletes and to the public. It has to do with the possibility to enhance the social and cultural dimension of the Games. From this point of view, the success of the olympic volunteer programme relies on the ability to involve and train new people, and to strengthen the local networks of volunteers associations and organisations.

The *Torino 2006 Volunteers Programme* started in 2003 with the aim of recruiting, training and managing the over 20.000 volunteers that provided assistance during the Games. Within the planning phase, the programme was supported by the mapping of all the organisations of the territory involved in volunteers activity, and a subsequent scheduling of meetings with them, e.g.: the social NGOs, the associations of elderly people, the volunteer service centres and the unions. Through dedicated *focus groups*, the Committee shared with these stakeholders the objectives and the procedures for their involvement in voluntary work for the Olympics, leading to their active participation in the launch of the Programme and in the related promotion activities.

Within the recruiting phase, the Committee received 41.500 applications, with a great number of adhesions (about 77%) coming from the hosting area. The subsequent training phase involved over 20.000 people selected to participate at the Olympic

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<sup>12</sup> Since the 1980s, volunteerism has become a growing trend for the successful implementation of these Games. The first formal Olympic Volunteers Programme was created by the Organising Committee of *Lake Placid Games* in 1980, when a volunteer programme was created with a focus on preparing and training the some 6.000 volunteers (Moreno, 1999). Since then, there has been a greater reliance on volunteers for the staging of the Games leading to an increased number of volunteers and an enhanced focus on the training of volunteers by the organising Committees of the host nations.

events. This phase was the heart of the Programme, as it was aimed at providing the volunteers with specific skills, supporting at the same time the growth of their own motivations and awareness of the social issues and the problems of their own territory.

Volunteers' training programme was structured in two training modules: *general training*, aimed at providing baseline knowledge on the Olympics, and *specific training*, aimed at providing the necessary technical and managerial skills to carry out the various operational tasks during the events. From our perspective, some training sessions were particularly valuable in terms of growth and improvement of qualified resources and professional competences within the territory: health and medical services and assistance, antidoping operations, safety procedures and environmental communication. Still, sessions aimed at informing and training volunteers to manage the needs of disabled athletes and spectators supported the diffusion of social cohesion and integration within local community.

Finally, it has to be noted that the Volunteers Programme provided an opportunity for university students of the territory to gain a technical knowledge in broadcasting activities, with the aim of supporting the work of the technicians, the cameramen and the sound operators during the Games. Actually, the Committee signed an agreement with the *Politecnico di Torino* to select and train university students enrolled in a broadcasting production degree programme. The agreement also included the recognition of university credits for the participating students, allowing them both to improve their education and to advance their professional experience.

### ***The Olympic Education Program***

As a part of the mission of organising the Olympics, the IOC requires Olympic Committees to develop an education program targeting young people and inspired by the values of solidarity, cooperation, friendship, equality, loyalty and fair play of the *Olympic Charter*<sup>13</sup>. The aim is to establish a set of educational activities to promote proper sports culture, spread and raise awareness about ethic values, and generate interest and enthusiasm in young people through an active commitment and a direct involvement in the events. Therefore, olympic education is one of the most relevant expression of the social function of sport and a significant potential source of “social capital” production for hosting areas as well, whose accountability within the reporting project had to take into account several activities and projects carried out by Toroc.

The *Torino 2006 Olympic Education Program* was drawn up in a preliminary phase by an inter-institutional workgroup made up of local and regional authorities and educational institutions, all of whom worked on setting the guidelines for the Program.

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<sup>13</sup> The first formal educational programme included as part of the activities of the Olympic Games was in Montreal 1976, when educational material on the Olympic ideals was created and distributed among schools in the region of Quebec. In 1988, for the Calgary Olympic Winter Games, an educational programme was developed and disseminated around all schools in the country. With the Sydney 2000 Summer Olympics, the educational programme took a national scope, reaching 3.2 million school students all over the country. The programme included, among others, an educational kit, a students newspaper, and a website with resources and games. The IOC has also promoted initiatives relating to Olympic Education, producing teachers' handbooks, educational material and forums for debate. At European level, the European Commission and the IOC launched in 2002 a pilot action entitled *Sport, School and Olympic Values in Europe* in three European countries (France, Italy and the Netherlands) to promote the olympic values in schools. ([www.olympicstudies.uab.es](http://www.olympicstudies.uab.es)).

It was targeted to the primary and secondary schools of the entire national territory, involving more than 6.000 schools and 600.000 students on the whole.

The Program was structured in five thematic areas, each one represented by one of the five rings of the Olympic symbol. The “*Blue Ring: sport and health education*” included a series of actions aimed at educating and informing youth on how to correctly approach sport, avoiding problems such as doping and eating disorders. A good example of these actions was the project “*School in Movement*”, through which teachers were invited to undertake a practical project with their students to create good habits and promote a culture attentive to the values of a healthy and active life.

The Red Ring - *Sport and sports culture* – dealt with sport, Olympism and sporting culture issues through a series of sporting and intellectual activities aimed at deepening the knowledge of history, structure and sporting disciplines of the Games.

The “*Yellow Ring: sport, science, technology and communications*” activities provided information on the links between science and sport, stimulating students to adopt a scientific and technological reading approach to sport.

Within the “*Green Ring: sport and the environment*”, the educational activities aimed at transmitting and consolidating, through sport, knowledge and respect for the environment, as well as providing the opportunity to discover the olympic values through sporting practice in a natural environment.

Finally, the activities carried out within the “*Black Ring: sport, interculture, legality and human rights*” included various projects dealing with interculturality, solidarity and education on peace issues. Just as an example, the “*One School, One Country*” project promoted the knowledge of different cultures, links between territories and hospitality through a twinning programme of schools in the olympic territory with countries participating in the Games.

### **The environmental activities**

Within environmental activities, the Committee’s goal was twofold: to establish a leading experience in the field of sports and wide-scale events in general, and to be a stimulus to improve sustainability policies on the territory and in the world of sports. This commitment was pursued through both voluntary environmental projects and the activities carried out within the SEA requirements<sup>14</sup>.

Within the scope of the SEA procedure, the Committee had to analyse territorial modifications induced by the Olympic Program through the *Monitorig Plan*, defined in accordance with the Piedmont Region and the Italian Ministry of the Environment. The Monitorig Plan involved the entire hosting area and included sixteen indicators regarding different issues:

- Water cycle;
- Soil use;
- Energy consumption;
- Waste production;
- Ecosystems;
- Landscape;
- Urban environment.

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<sup>14</sup> See section 3.1.

The results of the analysis had to be presented twice a year to public authorities and competent institutions to define responses to feedback and policy changes relative to the Olympic Program. Within sustainability reporting, the environmental section accounted for the issues that best represented the state of the environment in the hosting area, through the description and the assessment of the indicators analysed by the Monitoring Plan and the most important planned or completed works. Just as an example, within the goal of settlement quality monitoring, the Committee had to verify the adoption of bio-architectural criteria and the use of eco-compatible materials free of polluting substances for the construction of the olympic structures. The Report provided an insight of the most significant environmental requirements defined for the sustainability in design, in construction and operation of the olympic and media villages, including the use of climatic resources, the indoor environmental quality and the outdoor spaces quality.

As regards voluntary activities, the Report accounted for two relevant environmental voluntary projects carried out by Toroc, aimed at promoting a sustainable behaviour of its local economic partners. Through the *Green Procurement Project*, the Committee's suppliers of goods and services were selected also considering the ecological quality of products. The project also led to a partnership at local level through the signing of an agreement aimed at promoting the green procurement system within public authorities and local economic actors. The agreement was signed, among others, by the local Chamber of Commerce, the olympic Municipalities and the Consortium of Mountain Communities involved in the event.

The second project was aimed at promoting and implementing the *European Eco-label*<sup>15</sup> for hotel tourist services, and to support them in the technical procedures necessary to obtain the certification. The project also called for the european certification of one of the media village, the first olympic accomodation facility awarded with the Eco-label trademark at the beginning of 2005.

Finally, it is worth noting that all the environmental voluntary and non-voluntary activities and initiatives carried out strongly benefit from the adoption by the Committee of an environmental management system (EMS), certified according to the ISO14001 standard and the EMAS Regulation<sup>16</sup>. The EMS was applied to the entire Committee structure, covering all activities interacting with the environment and for which the organisation had a direct responsibility or could exert various levels of influence. The system operated through key elements indicated by the EMAS Regulation, aimed at guaranteeing that its environmental policy was carried out through the implementation of an adequate environmental program. Within this framework, the Sustainability Report was one of the main environmental communication tools: every edition of the document was publicised, promoted and distributed among stakeholders at different levels (members of the sport international and national systems, local community, local institutions, etc.), spreading the knowledge of local sustainability issues and communicating the social and environmental impacts of the activities carried out on the territory.

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<sup>15</sup> Regulation (EC) No 1980/2000.

<sup>16</sup> See note 4.

## **The economic dimension of the olympic sustainability**

A sustainability report would normally include a section representing the breakdown of added value created by the organisation in the given year, reviewing the figures from the annual financial report. In Toroc's case, either through a lack of real added value - giving the *non-profit* nature of the Committee - or because of the relative usefulness of information of the financial report, it was decided to account for the management of the financial resources in a format that included, besides current expenditures, the investments carried out throughout every financial year<sup>17</sup>. Compared to other possible forms of representation, this choice provided for greater evidence of the share of the managed resources going to suppliers, highlighting the share pertaining to Piedmont-based suppliers, thus quantifying the direct economic spin-offs on the territory.

Five categories of stakeholders were identified:

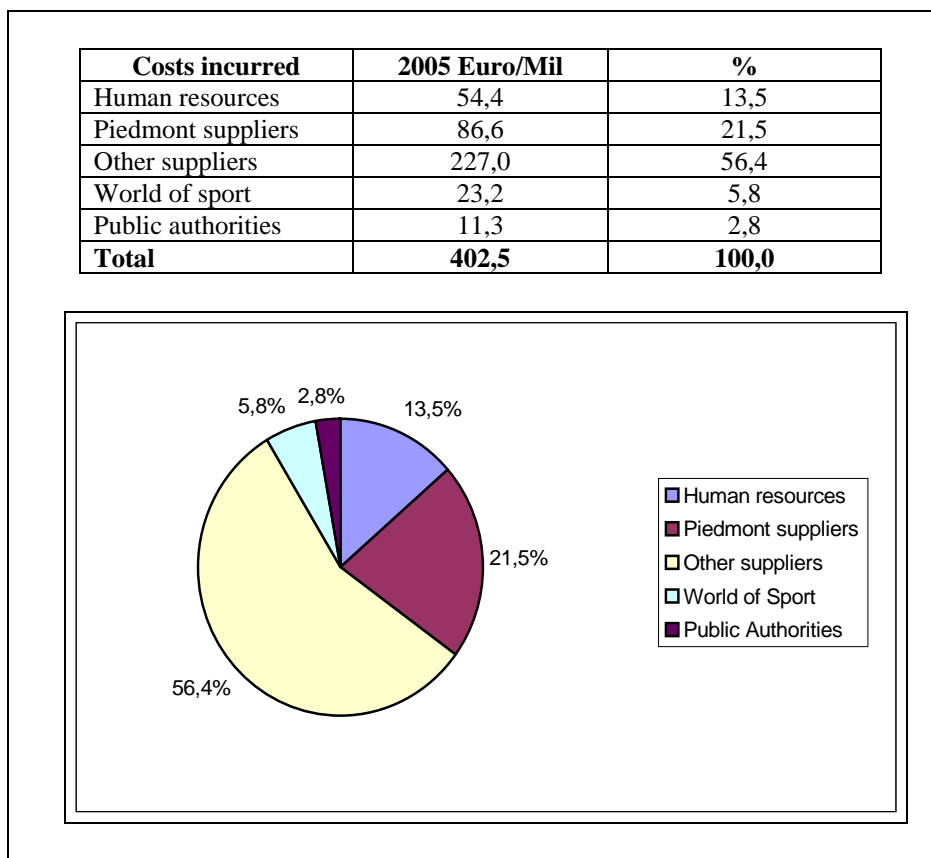
- *human resources* – including employees, partners and corporate organisations;
- *Piedmont suppliers* – for procurement, services and investments;
- *other suppliers* – suppliers outside Piedmont;
- *world of sport* – for royalties owed to FISU, FISG, CONI and the IOC and funds contributed to sports initiatives<sup>18</sup>;
- *public authorities* – for welfare and social contributions paid by the Committee.

The following table shows the allocation of the financial resources managed by Toroc during 2005, the year immediately preceding the staging of the Games.

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<sup>17</sup> The investments were accounted without considering the relative depreciation (Toroc, 2006).

<sup>18</sup> FISU is the *Federazione Internazionale Sport Invernali*; FISG stand for the *Federazione Internazionale Sport del Ghiaccio*; CONI is the *National Italian Olympic Committee*.



**Table 3 – “Stakeholder” breakdown of financial resources**

The graph shows how in 2005 about 70% of the financial resources went to suppliers (56.4%) and human resources (13.5%), and that the share that went to Piedmont suppliers was more than one third of the whole suppliers share. This regional share mainly referred to the building sector – for investments in sports facilities and accommodation infrastructures – and the commercial business sectors.

A second relevant dimension of the economic legacy refers to the indirect economic benefits of the Games, and especially the spin-offs across the territory both through the infrastructure improvements and permanent structures, and the indirect and induced effects of the organisation and management of the events. In order to account for this legacy, a significant part of the sustainability reporting activities was devoted to quantify the direct and indirect effects on the territory of the Games. To this end, a multi-regional/multi-sector model was used<sup>19</sup>, whose simulations were carried out from the annual assessment of the increase in demand noted by companies based in the Piedmont Region, due to all the preparatory and management activities for the olympic event.

The following table shows the main direct and indirect effects produced at national and regional level by the olympic event and its preparation, quantified as a difference in comparison with figures that the economic indicators would have shown in absence

<sup>19</sup> This model, called IDEM (Integrated Economic Demographic Model) was developed by the State Accounting Department. The structure of the economic part of the model is similar to that of the RIMS II Model (Regional Input – Output Modelling System) of the *United States Bureau of Economic Analysis*, used for assessing the economic effects of the *Atlanta 1996 Olympic Games*.



of the Games (reference scenario), assuming in any case average growth rates of these last figures equal to those estimated on a national level<sup>20</sup>.

In addition to added value data, table 4 also shows the number of *ULA (Standard Labour Units – National accounting, ISTAT)*, which quantifies in a uniform way the employment level registered in a determined economic area<sup>21</sup>.

	2005		2006		2007		2008		2009	
	Italy	Piedmont	Italy	Piedmont	Italy	Piedmont	Italy	Piedmont	Italy	Piedmont
<b>Added Value</b>	5333	3738	5157	3728	2676	2148	2277	1911	1999	1728
<b>Added Value / expenditure</b>	1,33	0,93	1,33	0,96	1,34	1,07	1,33	1,12	1,32	1,15
<b>ULA - Standard Labour Unit</b>	88002	75108	85645	76278	43857	44074	37288	39261	32677	35522
<b>ULA / expenditure</b>	22	19	22	20	22	22	22	23	21	23
<b>Unemployment rate (%)</b>	-0,3	-3,7	-0,3	-3,5	-0,2	-1,2	-0,2	-0,4	-0,1	-0,1

**Table 4 – Estimate of the principle direct and indirect effects (different value compared to the reference scenario)**

The elaborations provided by the multi-regional/multi-sector model allowed the drawing up of some useful considerations. According to the simulations, the added value generated - meaning the difference between the economic resources produced and those used to produce them (consumption) – varies, at regional level and for the period considered, between 0.93 and 1.15. The data is certainly a positive indication, showing a relevant capacity to generate added resources by the expenses considered within the model. Furthermore, in 2006, year of the Games, regional unemployment was estimated to decrease about 3.5% with respect to the situation that would have been expected without the olympic events.

#### 4. Conclusions

This paper has examined several factors of territorial development for hosting areas of Olympic Games, by means of the sustainability reporting experience of the last Winter Olympics Torino 2006. As the focus of the work was on the local dimension of sustainability, the paper analysed in-depth the most relevant steps and outcomes of the reporting process related with the territorial impact of the events.

Although several contradictions may appear at first glance between the organisation of the Games and the possibility to exploit them as a tool of sustainable growth of the areas involved, mainly due to the concentrated nature of the Games and the “*fast-track*” development they usually imply, the analysis carried out allowed the singling out of some important conditions that must be taken into account in order to guarantee a positive and durable legacy for hosting areas and local community involved.

<sup>20</sup> Average growth rates were estimated equal to those estimated within the national *DPEF* (“*Documento di programmazione economica e finanziaria*”) 2006-2009.

<sup>21</sup> Measurements in terms of ULA is made necessary insofar as an individual may work in one or more positions. In fact, data expressed in ULA is greater than the number of employed persons.

The following recommendations may be usefully considered by future Games organisers and responsible local authorities that wish to turn the Games into an example of sustainable practices:

- ***a long term strategy*** - For the Olympic Games to become an example of sustainability, they must be integrated as early as possible into long-term territorial planning policies based on principles of sustainable development. The focus should be on a long-term strategy tailored to local community needs, and not on the short-sighted view of local agendas neither on the staging of the events as the most successful and spectacular Games edition within Olympic history. Still, principle of sustainable development must be considered from the very beginning of the organisation of the Games throughout the whole “*life cycle*” of the event: concept, feasibility, bidding, strategic and operational planning, staging and dissolution;
- ***partnerships for sustainability*** – Sustainability is a collective effort and, therefore, strong public-private partnerships are essential. Actually, the Olympics may offer a great opportunity to develop new forms of private-public partnerships, to enhance co-operation among public authorities and support networking between the various socio-economic actors involved in the event. Though, local stakeholders involvement must be effective, as the organisation of a wide-scale event clearly asks for a responsible governance framework, in order to guarantee that decisions really reflect the diverse interests of the different actors involved;
- ***use of monitoring and reporting tools*** - The *Sustainability Report* may be a valuable tool for Games organisers committed towards sustainable Olympics, as it may help analyse and maximise the potential social benefits, as well as identify risks and potential negative effects related with the events. Still, the use of the Report may encourage and support the implementation of a structured stakeholder engagement, leading to an effective consultation process of the actors involved. From this point of view, Toroc’s experience will help future Olympic Committees’ understanding of sustainability reporting, providing at the same time a useful benchmark between wide-scale events’ experiences. Nevertheless, the “*accountability legacy*” of the events should not belong to Olympic members only, as the application of overall reporting methods should become a permanent common practice for local institutions as well, as a necessary step in guaranteeing better and enduring effects on the host cities and regions;
- ***leading by example*** – Wide-scale events such as the Olympics are global events which benefit from high media attention and should therefore be used as an opportunity to encourage innovations and actual implementation in the sphere of sustainable development. At the same time, the Olympic Games offer the biggest opportunity to the members of the sport system to enhance and promote the social function of sport, through their educational activities, their cultural initiatives and their volunteers programme.

Within this framework, there is great opportunity for wide-scale sport events to have positive impacts on a host city or region. This legacy – which we may define as a

*long-term sustainable legacy* - is both composed by “material factors”, such as the effects on employment and the infrastructures and facilities, and “immaterial factors”, such as the dissemination of Olympic values, the increased ability for decision-making and the growth of qualified resources, skills and competences within the hosting area. Among all these potential dimensions, there is one whose presence is somehow a “*conditio sine qua non*” for the others: since the possibility of a comprehensive positive legacy (e.g. material and immaterial) relies upon a close collaboration and a strong synergy between the institutional, economic and social parties, only by building a longtermed “*social network*” a legacy can provide the necessary ground for a sustainable growth of hosting areas over time.

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