

SPONSORSHIP POLICY

March 2022

“Our sponsorship strategy is to create compelling opportunities for sponsors to play their part in making this event truly ground-breaking, innovative, sustainable and inclusive.”

This policy has been endorsed the Chief Executive Officer of 2023 Cycling World Championships Ltd, Trudy Lindblade

A handwritten signature in white ink, appearing to read 'Trudy Lindblade', positioned above the printed name.

Trudy Lindblade, CEO

2023 CYCLING WORLD CHAMPIONSHIPS LIMITED

SPONSORSHIP POLICY

1. Introduction

- 1.1 Scotland has been granted the right to host the inaugural UCI Cycling World Championships in 2023 (the "Championships"). The hosting, management, organisation and promotion of the Championships has been delegated to 2023 Cycling World Championships Limited. 2023 Cycling World Championships Limited is a wholly owned subsidiary of VisitScotland. 2023 Cycling World Championships Limited will manage the activity required to support Scotland's hosting of the Championships.
- 1.2 In order to enhance the Championships, or reduce the cost, 2023 Cycling World Championships Limited is seeking to enter into sponsorship arrangements with appropriate third parties. Sponsorship is considered integral to the successful commercial delivery of the Championships and to reducing the overall cost of delivery of the Championships to UK taxpayers through businesses providing commercial value for the opportunity to be associated with the Championships. Sponsorship also provides an opportunity for a richer fan and competitor experience and can assist the delivery of the various Championships' policy objectives.
- 1.3 Cash sponsorship will be the primary objective of the commercial strategy. A limited number of budget relieving value-in-kind submissions may be considered.
- 1.4 There are three distinct levels or tiers of sponsorship packages which 2023 Cycling World Championships Limited can offer to potential sponsors as follows:
 - **Main Partner**
 - **Official Partner**
 - **Official Supplier**
- 1.5 2023 Cycling World Championships Limited considers that sponsorship is advantageous to all parties, however it must be ensured all sponsorship agreements do not compromise or bring into question the integrity of the Championships, its funders or stakeholders.

2 Purpose and Scope

- 2.1 The purpose of this Sponsorship Policy is to set out:
 - a) how 2023 Cycling World Championships Limited will manage sponsorship opportunities, setting out the principles and procedures which will be followed when appointing sponsors;
 - b) where and how sponsorship opportunities will be marketed and advertised; and
 - c) how they will be evaluated.
- 2.2 This Policy applies to all sponsorship arrangements to be entered into by 2023 Cycling World Championships Limited in relation to the Championships. This Policy must be read in conjunction with the VisitScotland Group Procurement Policy.
- 2.3 This Policy is concerned primarily with ensuring:
 - **Openness** – all opportunities are advertised and that any interested party has the opportunity to express interest;
 - **Fairness** – when engaging with interested parties, and when deciding when and how to award a sponsorship contract, that a fair, rigorous, and defensible process is followed; and
 - **Value** – demonstrating that the value of cash and/or value-in-kind goods or services received for any rights or benefits represents best value.

3 What is Sponsorship?

- 3.1 2023 Cycling World Championships Limited defines “sponsorship” as “*a business relationship of mutual benefit involving the transfer of funds, resources or services from a sponsor to 2023 Cycling World Championships Limited in return for an association and a set of rights which are to the mutual satisfaction of both parties*”. Sponsorship is not philanthropic and a sponsor will expect to receive a reciprocal benefit beyond a modest acknowledgement.
- 3.2 Sponsorship is a significant business activity and companies seek sponsorship opportunities for a variety of legitimate business reasons for example:
- to raise a company's image and public profile;
 - to improve public/community relations and instil goodwill;
 - to show creativity and public spirit;
 - to generate public exposure and media coverage;
 - to differentiate a company from its competitors;
 - to increase profits/market share.
- 3.3 Association of a sponsor's name with the Championships may be particularly attractive in terms of the opportunities for media coverage and as a display of public spirit. In some cases, sponsor motives or the benefits the sponsor anticipates may be less apparent.
- 3.4 Sponsorship should not be confused with ‘advertising’ which is defined for the purposes of this Policy as “*any paid form of non-personal presentation and promotion of ideas, goods or services by an identified organisation*”.

4 2023 Cycling World Championships Limited's Sponsorship Structure

- 4.1 Following a detailed review of international sponsorship structures and rights packages, and following close consultation with 2023 Cycling World Championships Limited's stakeholders, the following sponsorship structure has been established in order to fulfil the commercial, sport, operational and policy objectives of the Championships:
- a) **Main Partner** - will be granted a significant package of rights and benefits, including branding, which exceed those rights and benefits of the other tiers
 - b) **Official Partner** - will be granted a package of rights and benefits, including branding rights, which is less than that offered to Main Partners but greater than that offered to Official Suppliers)
 - c) **Official Supplier** - will be granted a limited package of rights and benefits, including limited branding rights, which is less than that offered to Official Partners)
- 4.2 The value of each tier of sponsorship rights package will be made publicly available in accordance with paragraph 5 of this Policy on 2023 Cycling World Championships Limited's website and/or on Public Contracts Scotland.
- 4.3 The structure, composition and pricing of each sponsorship tier and package has been approved by the 2023 Cycling World Championships Limited and VisitScotland Boards.

5 Sponsorship Opportunities – Criteria, Principles and Procedures

5.1 Acceptable Forms of Sponsorship

2023 Cycling World Championships Limited will accept three forms of sponsorship:

- 1) **Cash Only Sponsorship** – where a package of rights and benefits are granted in exchange for a cash sponsorship fee;
- 2) **'Hybrid' Sponsorship** – where a package of rights and benefits are granted in exchange for a combination of cash and capped amount of budget relieving value-in-kind goods and services; and
- 3) **Value-in-Kind Sponsorship** – where an invitation to tender for budget-relieving goods and services is published on Public Contracts Scotland, including a package of rights and benefits, for prospective companies to pitch for. A range of procurement processes will be used from open to competitive process in order to select the most suitable supplier.

It is expected that a sponsor may wish to provide its products, services, expertise, knowledge, staff and other resources to 2023 Cycling World Championships Limited to assist in the successful delivery of the Championships in order to fulfil some of the sponsor's aims and objectives. It is recognised by 2023 Cycling World Championships Limited that sponsors wishing to provide budget relieving value-in-kind (VIK) goods & services will result in a much richer, closer and effective commercial partnership for the mutual benefit of both parties, competitors, spectators, local residents and other audiences. Value in kind may also reduce the estimated overall cost of staging the Championships.

5.2 Procedure for Cash Sponsorship

- 5.2.1 Research the potential market for sponsorship and complete a market engagement exercise. Explain the process for cash sponsorship opportunities to potential sponsors.
- 5.2.2 Present comprehensive information relating to the sponsorship opportunity to the market – this will clearly set out the rights sponsors can expect in return for cash and the expected value of the cash required in return for the sponsorship rights.
- 5.2.3 Publish the opportunity on the Sponsorship pages on the [2023 Cycling World Championships Limited's website](#) in accordance with paragraph 5.6.
- 5.2.4 Invite cash-only sponsorship offers to be made in return for [one of] the package[s].
- 5.2.5 Consider the offers received against the criteria outlined in this Policy (paragraph 5.5).
- 5.2.6 Enter into a Sponsorship Agreement for the cash sponsorship arrangement.

5.3 Procedure for Hybrid Sponsorship Proposals

In the event that cash sponsorship is sought but a hybrid sponsorship proposal is submitted in response to the cash opportunity, the following steps will be taken:

- 5.3.1 Assess the hybrid offer received against the criteria outlined in this Policy (paragraph 5.5).
- 5.3.2 Enter into a Sponsorship Agreement for the hybrid sponsorship arrangement.

2023 Cycling World Championships Limited is not obligated to accept hybrid proposals and may do so at its sole discretion following completion of the risk assessment. The focus of 2023 Cycling World Championships Limited will be on cash only sponsorship offers. The value of the value in kind element is expected to be low in a hybrid proposal and the value of any such budget relieving value in kind in a hybrid proposal must not exceed a maximum of 25% of the overall cash offer.

5.4 Procedure for Value-in-Kind (VIK) Sponsorship

2023 Cycling World Championships Limited will procure goods and services in accordance with the VisitScotland Group Procurement Policy including compliant procurement processes to select suppliers to ensure a fair and open approach is adopted and that best value is achieved. 6-8 budget categories have been identified where suppliers may wish to offer budget relieving VIK in exchange for sponsorship and/or other commercial rights as part of their proposal to supply good or services. In these circumstances, the procurement process may include an opportunity for suppliers to make VIK proposals in exchange for sponsorship and/or other commercial rights to be granted to them.

- 5.4.1 Research the potential market for value in kind opportunities and complete a market engagement exercise.
- 5.4.2 Present comprehensive information relating to the value in kind opportunity to the market.
- 5.4.3 Determine the procurement route to be followed in accordance with the Procurement Policy and in conjunction with the Procurement Team.
- 5.4.4 Publish the opportunity on Public Contracts Scotland in accordance with paragraph 5.6, with a link to Public Contracts Scotland also being made available on www.cyclingworldchamps.com
- 5.4.5 Assess the bids in accordance with the criteria set out in each Invitation to Tender.
- 5.4.6 Select the best value supplier based on the published evaluation criteria and methodology set out in each invitation to tender.

5.4.7 Enter into a contract for the provision of goods and services. Where sponsorship or other commercial rights are included, the supply of goods and services in exchange for these rights will be on the template terms available here.

5.5 Selection Criteria

2023 Cycling World Championships Limited shall consider certain criteria before awarding any sponsorship arrangement, such as:

- whether the sponsor is perceived to influence or hinder how 2023 Cycling World Championships Limited operates;
- any conditions that the sponsor is seeking to impose that would limit or appear to limit 2023 Cycling World Championships Limited's ability to carry out its functions fully or impartially;
- the suitability of potential sponsors i.e. the reputation and credibility of 2023 Cycling World Championships Limited, VisitScotland, the Scottish Ministers and other Funding Partners is not damaged by making agreements with unsuitable third parties;
- whether the sponsorship package/offer provides best value for 2023 Cycling World Championships Limited;
- understanding what a sponsor might gain from a commercial relationship;
- sponsor's audience and activation/campaign plans around the Championships; and
- sustainability/environmental credentials.

5.6 Advertising Opportunities and Market Engagement

2023 Cycling World Championships Limited shall make sponsorship opportunities widely known through promotion and advertising (see relevant section) and engaging directly with relevant market sectors. 2023 Cycling World Championships Limited will undertake the following general steps with respect to advertising and marketing the various sponsorship opportunities:

- a) Conduct a detailed, structured, and expert review of companies likely to be interested in sponsoring the event;
- b) Issue various sales materials to all identified companies or market sectors such as printed brochures, digital presentations, promotional videos and direct emails to key decision makers within companies and which sales materials will also be made publicly available;
- c) List on its website the various sponsorship tiers and opportunities available (to be kept up to date);
- d) Promote on various digital channels such as industry news websites, social media channels, media interviews, print publications; and
- e) Record and keep up to date all approaches made or received.

With respect to value-in-kind only opportunities, these will be advertised on the Public Contracts Scotland portal together with relevant documentation to allow interested parties to consider and apply for such opportunities.

5.7 Approvals Route

Following assessment against the relevant Criteria and a risk assessment being undertaken, the sponsor's offer will be subject to the following formal reviews and approvals by 2023 Cycling World Championships Limited:

- Joint Partnership Committee (JPC) – this group comprises members from the UCI, 2023 Cycling Worlds and other appointed commercial experts who shall review the commercial aspects of all offers as well as reviewing the brand, reputational and other attributes of sponsors.
- 2023 Cycling World Championships Limited Board, delegated to the Contract Awards Group (CAG) – this group comprises members of the Senior Leadership Team and 2023 Cycling World Championships Limited's Board members who shall review the commercial aspects of all offers as well as reviewing the brand, reputational and other attributes of sponsors.
- VisitScotland Board – only where the value of the sponsorship is greater than £500k or where there are significant reputational considerations.

Only after the CAG, JPC, and VisitScotland Board have approved the proposed sponsorship

and where the circumstances set out in paragraph 5.7 are met, will 2023 Cycling World Championships Limited accept the offer and issue an agreement for signature.

5.8 Agreements

- 5.8.1 2023 Cycling World Championships Limited will, in all cases, enter into written agreements with sponsors and suppliers.
- 5.8.2 Following the signing of a formal agreement by both parties, 2023 Cycling World Championships Limited shall publicise the award of a sponsorship rights package which will detail who the sponsor is, which category and/or designation is being given to the sponsor, as well as detailing how and why the sponsor wishes to support the Championships.
- 5.8.3 Any additional activities a sponsor plans to undertake in support of the Championships, such as on-event activations, marketing activities or support to any wider policy programmes will also be publicised.
- 5.8.4 2023 Cycling World Championships Limited will, amongst other things, issue a press release stating the nature of the sponsorship, a news story on its website, via social media and to relevant sports industry news and bodies.

6 Unsuitable Activities for Sponsorship

6.1 Excluded Categories/Activities

2023 Cycling World Championships Limited will not consider an association with any sponsor which is concerned with the following activities, including but limited to:

- a) tobacco and/or tobacco related products, including e-cigarettes and any other products similar in appearance to cigarettes and/or associated with smoking or nicotine products;
- b) gambling (other than National Lottery);
- c) health and fitness clubs;
- d) payday loan providers;
- e) other categories that may be agreed by the Joint Partnership Committee for exclusion;
- f) is involved in political fields (e.g. political parties);
- g) those which discriminate on the basis of the "Protected Characteristics" as detailed in the Equalities Act (2010);
- h) might create a negative impression of 2023 Cycling World Championships Limited or bring 2023 Cycling World Championships Limited or other partners/funders into disrepute in the minds of the public; and has services or products which are considered to be injurious to health, or are seen to be in conflict with the 2023 Cycling World Championships Limited, VisitScotland, the Scottish Ministers and other Funding Partners policies and responsibilities to the community.

The above list is not exhaustive and 2023 Cycling World Championships Limited retains the right to decline sponsorship from any organisation, which 2023 Cycling World Championships Limited in its sole discretion considers inappropriate. Staff should gain clarification from the Senior Leadership Team if unsure whether a sponsorship may be considered within the categories listed in paragraph 6.1.

7 Sponsorship Promotion after Award

- 7.1 2023 Cycling World Championships Limited will recognise sponsors in a number of ways. The extent of such recognition is to be determined in relation to the level and nature of the sponsorship and is subject to a written agreement specifying the benefits and fees to be provided by the sponsor.
- 7.2 Sponsorship recognition will be representative and proportionate to a major international sporting event. Such forms of recognition can include, but are not limited to:
 - appropriate outdoor branding and signage;
 - complementary and/or guaranteed tickets and hospitality passes;
 - inclusion of sponsor's name and logo on 2023 Cycling World Championships Limited's website, internal publications and other external publications;
 - naming rights for a category, sub-event, venues etc. for the term of the sponsorship;
 - merchandising of goods at selected points of sale;

- an opportunity for the sponsor's name and/or logo to be promoted through appropriate general advertising by 2023 Cycling World Championships Limited;

8 Relationship to other Policies

8.1 This Policy forms part of the overall policy framework for VisitScotland Group but specifically relates to the following policies, plans and procedures:

- Procurement Policy
- Anti-bribery and Corruption Policy

9 Public Accountability/Reporting

9.1 2023 Cycling World Championships Limited is committed to principles of open government and of public accountability, transparency and accessibility. To meet these objectives:

- a) This Policy will be made publicly available and listed on the 2023 Cycling World Championships Limited's website;
- b) Sponsorship agreements will be in the form of a written agreement; and
- c) A register of sponsorship agreements will be maintained by 2023 Cycling World Championships Limited.

10 Disclaimer

10.1 Acceptance of sponsorship or VIK goods or services does not imply any endorsement of the sponsor's products or services by 2023 Cycling World Championships Limited.

11 Conflict of Interest

11.1 2023 Cycling World Championships Limited Board Members, Senior Leadership Team, Joint Partnership Committee, staff and contracted organising committees are required to declare in advance if they have any personal interests, involvement or potential conflict of interest with any potential sponsor. In the event of a potential conflict of interest, any individual will take no part in the consideration of a sponsor.

12 Policy Review

12.1 This policy is subject to continuous review and will be reviewed on an annual basis.

13 Points of Contact

13.1 For advice on sponsorship issues, the following can be contacted:

- Senior Commercial Manager, Cycling World Championships Limited
- Director of Commercial and Marketing, Cycling World Championships Limited
- Head of Procurement, VisitScotland Group
- Head of Legal, VisitScotland Group