

FOOTBALL GIANTS DON'T CHECK ON SPONSORS

Where the money comes from

Next to the World Cups, most football money goes to top European clubs, which are getting better at their own social responsibility but aren't yet holding their sponsors to account

BY PETER BENGTSSEN

With the arrests of high-level FIFA officials on corruption charges in May, the world of professional football held its breath. FIFA scandals are commonplace, but when the association's president Sepp Blatter announced his decision to step down, the scale of the crisis seemed unprecedented. An FBI investigation into bribes worth €88m, spanning three decades, led to the arrests.

Corruption allegations related to FIFA presidential elections and especially World Cup bidding processes have tainted the organisation before. It is an open question for now who will succeed Sepp Blatter, and whether the locations for the next two World Cups – Russia in 2018 and Qatar in 2022 – will change.

Next to the World Cups, most of the money in football goes to the top European clubs. A huge chunk comes from multimillion sponsor deals with multinational companies, deals that receive far less attention from watchdogs than they ought to.

Zlatan Ibrahimović took off his shirt during a game for Ligue 1 winner Paris SG this season and showed a tattoo with the names of 50 starving children. It was a personal gesture to raise awareness of hunger, showing a social responsibility not always reflected adequately in the agreements clubs have with sponsors. Some of the companies now backing Europe's top clubs are accused of child labour, illegalities, and rights and labour abuses.

Champions League finalist Juventus – and semi-finalists Real Madrid and Bayern Munich – are sponsored by electronics giant Samsung, which acknowledges labour violations among suppliers in its latest sustainability report, although it denies accusations of child labour. FC Barcelona, winner of the European trophy, has among its sponsors Panasonic, accused of discrimination and rights violations in its supply chain, and Intel, which sources from the giant manufacturer Foxconn, accused of much labour abuse. Then there is Barcelona's shirt sponsor, Qatar Airways, owned by the Qatari government, which is widely criticised for its unwillingness to tackle slave-like conditions in its construction sector. Foul play among sponsors includes Maxxis/CST, sponsor of Liverpool and of Dutch runner-up Ajax Amsterdam, and accused of excessive, illegal, overtime at a Chinese factory it owns (1).

According to UN principles, clubs should approach sponsors over reports of human rights abuses. "Sports clubs should consider carefully their engagement with sponsors, and also advocate change where a sponsor's business practices are not respectful of children's rights," said Bo Viktor Nylund, global chief of corporate social responsibility at UNICEF. He said that the agency's children's rights and business principles make it clear that corporate responsibility to respect those rights applies to a business's own activities and also to its business relationships.

Lucy Amis of the Institute of Human Rights and Business, a UK thinktank, recommends that clubs investigate sponsors' records on human and labour rights, and include the issue in sponsorship and licensing negotiations. "Football clubs have a clear-cut responsibility to take relevant steps to know about and to end or mitigate human rights abuses occurring within their direct influence, including regarding their sponsors."

Clubs focus on human rights mostly through charity and community initiatives implemented by their foundations. Many clubs, especially from the Premier League and Bundesliga, but also elsewhere in Europe, have established such charitable arms to handle their off-pitch fair play.



Qatar, whose airline sponsors Barcelona's shirts, has been criticised for failing to tackle slave-like conditions in its construction sector

MIGUEL RUIZ/FC BARCELONA VIA GETTY IMAGES

Chelsea Foundation invested €6.8m last season in programmes of education through football, and promotion of inclusion, equality and health for 910,952 participants, mostly young people. Chelsea's record revenue of €448.5m last season, reportedly including €25m annually from a Samsung shirt deal, was seventh highest in Europe according to Deloitte's Football Money League. The logo accusing Samsung of child labour and the Foundation's anti-discrimination logo have figured side by side on players' kits for the last two seasons.

In Germany, professional football provides more than €20m a season to support about 400 social projects for the young, for people with disabilities and for migrants, many implemented through the clubs' foundations.

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Top clubs also participate in campaigns and initiatives by league associations targeting racism, discrimination and hooliganism, such as the "Let's kick racism out of football" campaign in the UK. "Such initiatives make sense in football. Social responsibility efforts in a particular industry naturally should focus on the specific challenges of the industry," said Tim Breitbarth, senior lecturer in sports management at Bournemouth University. "But respect for human rights is more than combating racism and promoting equality, and should be included in all meaningful stakeholder relations, including suppliers and sponsors. The key is to

implement social responsibility in the core structure of the organisation."

In this perspective, the fair play efforts off the pitch by many top clubs seem far from progressive. But some clubs are ahead of the game. "Social responsibility is broader than community projects. Our goal is embedding it into our organisational DNA. It's a big change and takes time to discuss with colleagues on all levels, but we have come far," said Nico Briskorn, director of corporate social responsibility for Bundesliga runner-up, VfL Wolfsburg.

VfL Wolfsburg was the first football club in Europe to publish a sustainability report (in 2011) based on the Global Reporting Initiative guidelines. The report has a long list of indicators for the club to measure its progress on human rights, labour practices, governance and the environment. There was a progress report in 2014; more transparency can lead to more criticism, and VfL Wolfsburg is aware of that. As Briskorn says, "Transparency is a premise for trust and moving together with stakeholders."

Such openness is hard to find. If clubs produce reports at all, most focus solely on charity-like initiatives such as the Chelsea and Real Madrid Foundations. But Juventus last season followed VfL Wolfsburg by publishing its first sustainability report, which explicitly stressed the importance of focusing "more on the sustainability objectives and actions of sponsor companies." That statement is the result of worries of possible damage to Juventus's reputation because of inappropriate behaviour by a sponsor.

VfL Wolfsburg does not address human rights in sponsor relations, but Briskorn said: "We are still considering it and might develop guidelines or requirements on this in the future. Suppliers must sign our code of conduct, but this is not the case for sponsors." Manchester United's club charter says that suppliers must respect human rights, including no use of child or forced labour, but nothing about sponsors.

Clubs are still not challenged or pushed to develop social responsibility in sponsor

relations or in other ways. The reports from Juventus and VfL Wolfsburg are a breakthrough. "External pressure on clubs to increase responsibility is virtually non-existent in professional football. Clubs have supporters, not customers as in other businesses," said Breitbarth. Supporters do not change clubs easily, but are extremely loyal – even in bad times, when discontented customers head for a firm's rivals.

The media and watchdog organisations don't put on much pressure, except when rights-violating countries such as Qatar, Russia or Brazil are chosen for sporting mega-events – the Olympics or World Cups. The Champions League doesn't rouse the same indignation, even though public interest and television viewership are comparable. The four-yearly World Cup final has a billion viewers, yet the Champions League final with its "just" 380 million is annual.

"Top clubs could and should use their leverage to push sponsors to ensure that labour rights are upheld throughout their supply chains," said Ilana Winterstein, director of communications at Labour Behind the Label, a watchdog and part of the Play Fair global anti-sweatshop campaign.

At the other end of the stakeholder spectrum, the governing bodies of football, the leagues and associations and UEFA (Union of European Football Associations), have power to introduce legislation, incentives or volunteer initiatives focusing on responsibility in sponsor relations. UEFA introduced the Financial Fair Play regulations in 2011 to improve finance in European football, but there are no binding UEFA obligations for social responsibility actions by clubs. The umbrella organisations try to lead by example with campaigns and projects. UEFA expresses no specific stance on responsibility in sponsor relations. "It is positive to work together with sponsors and partners in order to spread positive CSR messages and campaigns," said Patrick Gasser, social responsibility senior manager at UEFA.

Some sponsors have highly developed social responsibility policies that clubs could learn from, and sometimes sponsors publicly demand more responsibility from clubs. Progressive sponsors with the UN principles on business and human rights as the basis of their efforts might even raise the bar among clubs. Menzis, which sponsors Dutch team Vitesse Arnhem, last season criticised it for putting up with discrimination.

The sportswear giant Adidas, which sponsors UEFA's Champions League and many European top clubs, also sponsors FIFA. This May Adidas was asked about its FIFA sponsorship and the human rights situation in Qatar, the 2022 World Cup host. Adidas, already a target of much supply chain criticism, confirmed its recognition of international labour conventions and its dialogue with FIFA on human rights issues (2). This should suggest a commitment by Adidas to engage others it sponsors in human rights dialogue too.

Clubs could do more by using their leverage, since their brands are highly valued by sponsors and supporters worldwide. As Breitbarth says, "Corporate social responsibility is not about what you do with the money you earned, but about how you earned your money."

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(1) Juventus was open to an interview request, but not for two months. Barcelona, Real Madrid, Bayern Munich, Liverpool and other clubs did not respond to requests. Chelsea, Manchester United and Ajax Amsterdam declined. (2) Response from Adidas to a survey by the Business & Human Rights Resource Centre (BHRRC), a British non-profit organisation. BHRRC questioned Adidas, Coca-Cola, Visa, Hyundai Kia Motor, McDonald's, Gazprom, and Budweiser in May 2015, with reference to the UN Guiding Principles on Business and Human Rights.