

How to screen-out polluting sponsors

A low-carbon toolkit for sports organisations





Finding pathways for rapid transition to a fair economy that thrives within planetary ecological boundaries.



Possible is a UK based climate charity working towards a zero carbon society, built by and for the people of the UK. www.wearepossible.org



The Game Changer Sponsorship Pledge seeks to bring like-minded sports clubs and organisations together to help them step-up on sponsorship.

www.badverts.org/gamechanger

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1. Summary

Global heating, and its impacts, threaten upheaval in the world of sport. While many sports organisations are pushing ahead with sustainability strategies and pledges to cut emissions, there remains a big, branded elephant in the room: sport is increasingly being used as an advertising billboard for polluting businesses pushing goods and services that are disproportionately responsible for driving climate change.

As the impacts of climate disruption become impossible to ignore, and fans and athletes alike make demands on sports organisations to take action, commercial partnerships with big polluters present sport with multiple risks: reputational, financial, and social. But with these challenges come huge opportunities for sports organisations to chart a new course that will benefit fans, athletes, clubs and communities alike. Taking decisive action on sponsorship deals and commercial partnerships with polluting businesses could open new avenues for commercial relationships, provide fresh ways to engage fans and the wider public, and usher in a more comprehensive way of thinking about sustainability in sport.

This toolkit makes the case for greater ambition on matters of sponsorship and commercial partnerships, and provides the evidence, advice and guidance required to turn ambition into a reality. In this toolkit you'll find out:

- How polluting sponsorship deals and commercial partnerships within sport stall climate action and undermine sustainable changes in behaviour.
- How to analyse and navigate the reputational, economic and social risks associated with these types of deals.
- How to embed commercial partnerships and sponsorship within broader sustainability strategies.

Here are several ways that sports organisations can screen-out polluting sponsors (See Section 7). They can:

- 1. Introduce robust due diligence tests and screening for prospective commercial partners: to reduce the risks of partnering with polluters, introduce more stringent requirements for prospective commercial partners.
- Set guiding principles for prospective commercial partners: sports organisations can create a set of guiding principles for prospective commercial partners,

engaging players, fans and the surround community in the process.

- 3. Screen-out highly polluting commercial partners: more ambitious sports organisations may introduce blanket bans on certain industries, such as fossil fuels.
- 4. Join a recognised green sponsorship pledge and/or accreditation: there are a initiatives around the world that bring together like-minded organisations to pledge to phase-out or ban polluting partnerships.
- 5. Use contractual terms and provisions to minimise risks: Including specific requirements within "coolerplate" clauses can give sports organisations more oversight, rights, and power.
- 6. Embed commercial partnerships and sponsorship into sustainability strategies and ESG workstreams: Integrating all this within a single ESG framework is the most effective method of ensuring its longevity and success.

2. Sport has become an advertising billboard for major polluters

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Wherever you look, sport is used as an advertising billboard for polluting businesses that promote goods and services with disproportionate climate and environmental impacts. Whether it is fossil fuel companies, car manufacturers, or airlines, polluting advertising is ubiquitous at every level of sport – from sponsorship deals with individual athletes, to elite-level international tournaments. Amid a climate crisis, where concern amongst athletes, fans, and the wider public over climate breakdown is at an all time high, these advertisements, sponsorship deals, and commercial partnerships look increasingly bizarre.

This toolkit is aimed at helping sports organisations – teams, clubs, leagues, governing bodies, as well as fans and athletes – get to grips with the issue of high carbon sponsorship and advertising. It looks at why this is making it harder to tackle climate change and galvanise more ambitious climate action within and through sport.

The toolkit has information, guidance, and advice to build capacity within sports organisations who are necessarily ambitious in their approach to environmental sustainability, better equip those already advocating within sport for more climate conscious commercial strategies, and encourage organisations to align their commercial strategies with a low carbon future where sport, athletes and fans can all thrive. Throughout, this toolkit points towards the commercial and reputational opportunities of aligning commercial strategies with sustainability goals.

3. Sport is being hit by climate change

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The future of sport is deeply intertwined with the future of the climate and the natural world. Already today the impacts of climate change and biodiversity collapse are questioning the long term feasibility of sport at both the professional and grassroots levels all around the world. Extreme weather events, floods, and unbearable heat and humidity have disrupted fixtures, tournaments and challenged athletes' ability to perform. Rising global temperatures and inhospitable conditions are reducing the number of countries and cities that can host international sporting tournaments and are re-writing when such tournaments can be held safely. In under three decades, there may only be four locations with climates that are able to support the hosting of the Winter Olympic Games.¹

Until emissions are brought swiftly to zero, these impacts will only become more frequent and severe - threatening the future of sport, the athletes that play it, and the fans that follow it. Given this alarming reality, and the fact that all sport depends upon a healthy environment, the ongoing dominance of sponsorship and advertising from polluting companies within sport feels as if it is on borrowed time.

When it comes to tackling climate change, humanity is already deep into extra-time. Although observers note that global emissions may be nearing a plateau, they remain at record highs.² Worse still, the yearly minimum 7% reductions required to halve global emissions this decade (much greater cuts for wealthy countries and historic high-emitters) are yet to materialise. At the same time, the impacts of climate change are becoming unignorable, with records being smashed every year and impacts already wreaking havoc on communities around the world.

As the concentration of greenhouse gases in our atmosphere remains high, further climate impacts are all but guaranteed. The imperative for sports organisations – and the communities they serve and are embedded within – is to cut emissions as fast as possible and adapt to the realities of a warmer world. In theory, this should dictate not making the situation worse by promoting emissions-intensive products and lifestyles. Yet, these forms of sponsorship and advertising continue to be commonplace in sport and beyond.

The impact of climate change on sport and how it could hit commercial interests:

- Severe flooding in Italy in 2023 caused the Imola FI GP to be cancelled.³
- Almost one in four of the 92 football clubs in the English leagues can expect partial or total flooding each year by 2050.⁴
- Following the Canadian wildfires of 2023, the sporting calendar across the east coast of North America faced heavy disruption with Major League Baseball and Basketball games delayed due to the air pollution ranking worst in the world.⁵
- In 2018, temperatures on the tennis courts at the US Open hit 49°C and five players retired from matches for heat-related reasons.⁶ At the same event, in 2023, the player Daniil Medvedev warned that a player was going to die.²
- Only one of the previous 21 Winter Olympic hosts will be able to host the Games again by the end of the century due to rising global temperatures.⁸

What do these recent examples mean, in practice, for sport?

- Delays and cancellations will increasingly impact the revenues derived from live sporting events. Additional resources will need to be provided for contingency plans.
- Delays, part-cancellations and full cancellations may impact broadcast revenues.
- Tournament organisers will face growing calls from athletes to safeguard their health and ensure high-performance. In some circumstances, this will be impossible, with athletes being placed at great risk.
- Whole countries and cities will miss out on the economic and social uplift that comes with hosting tournaments, as climate change impacts will make prospective hosts less attractive for international gatherings.

4. What counts as 'high-carbon'?

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Despite the absence of a strictly legal definition, what counts as high-carbon or emissions intensive is sufficiently common sense to the point that multiple local authorities already operate advertising policies that exclude major polluters – including fossil fuel companies, airlines and makers of petrol engined cars. There are a number of sectors and companies that clearly belong in the category of 'high-carbon'. It is good also to keep this under review as additional categories of major polluter may need to be included. For example, aviation, with no credible climate strategy may be obvious, but luxury ocean cruises are problematic too, with some polluting more per passenger.

Category	Why?
Fossil fuel companies: We define fossil fuel companies as all firms and associated sub brands or lobbying organisations that extract, refine, produce, supply, distribute, or sell any fossil fuels.	Fossil fuels are by far the biggest contributor to climate change, responsible for 86% of anthropogenic CO2 emissions in the past decade. ⁹ There is enough coal, oil and gas already under production in existing mines and wells today to take humanity well beyond the 1.5°C temperature threshold if burnt. ¹⁰ Yet, despite this, governments around the world are predicted to produce more than twice the amount of fossil fuels by 2030 that is consistent with keeping temperatures below 1.5°C. ¹
Airlines and airports: all advertising by airports and airlines which might reasonably be deemed to promote more flying and normalise frequent flights.	There are no low carbon options for commercial air travel available currently or for the foreseeable future, so air travel per se should be treated as high-carbon. ¹² There is even more reason to consider airlines as high-carbon given the vast inequality of emissions created by aviation. In 2018, just one percent of the global population was responsible for 50 percent of global aviation's emissions. ¹³ In the same year, between two and four percent of the global population flew internationally. ¹⁴

Cars: exclude all advertising and promotions for petrol, diesel, Sports Utility Vehicles (SUVs), and hybrid vehicles and Plug-In Hybrid Electric Vehicles (PHEV)	Advertising for Battery Electric Vehicles (BEV) as distinct from PHEV could still be permitted, and in principle hydrogen fuelled vehicles. PHEVs have been shown not to yield meaningful emissions savings over conventional vehicles. ¹⁵
	Some cars are extremely polluting. For instance, the emissions from the global fleet of Sports Utility Vehicles (SUVs) was almost 1 billion tonnes in 2022. ¹⁶ If SUVs were a country, they would be the sixth most polluting on earth.

5. Why should sport care?

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While sport makes a sizable annual contribution to climate change,^{IZ} it is well placed to stimulate more ambitious climate action, raise awareness of the benefits of sustainable behaviour changes, and bring historically under-engaged groups on the journey to a low carbon future. Followed religiously by billions worldwide, and played regularly by millions more, sport provides community and an open and welcoming space to talk about the climate and challenge entrenched – and often unhelpful – ways of thinking about sustainability. Climate change and sustainability offers sports organisations a vast and currently underexplored opportunity to engage with fans and the wider public, as well as other organisations in the space.

Many athletes have started using their platforms to raise awareness of the climate crisis and the need for more ambitious action within sport and beyond it. It has become increasingly common to see professional athletes speaking out on how climate impacts, like extreme weather or melting snow, are hampering their ability to perform and undermining the future of their respective sport.¹⁸ In some cases, athletes are forgoing competing in international tournaments due to concerns about the environmental impact of travelling to and from such competitions and the lack of climate action within sport.¹⁹ Other athletes, such as the footballer David Wheeler, have openly stated that they would refuse to wear their team's shirt if it had a fossil fuel or petrochemicals sponsor on it.²⁰

Of course, many sports organisations care deeply about climate change are limited in what action they can take by lack financial and human resources. This raises wider issues about the funding of grassroots sport, with all its health and social benefits. The COVID-19 pandemic decimated the finances of many smaller and grassroots sports organisations, but as the financial health of these sports organisations slowly begins to recover, it is important that the cascading risks (financial, reputational and social) associated with entering into commercial partnerships with polluting companies are fully acknowledged and avoided.

Heightened public concern over climate, a shifting climate policy landscape, and sport increasingly being seen as an important social actor and the focus of scrutiny campaigns, has created a series of **cascading risks** for sports organisations. Organisations that enter into long-term partnerships with environmentally harmful companies, such as fossil fuel firms and the banks that fund them, may be targeted by both external grassroot campaigners and internal advocacy efforts, as well as finding themselves subject to litigation. There are also concerns of being "guilty by association", where ongoing sponsorship and commercial deals between sports organisations and polluting businesses sour relations with prospective sponsors and commercial partners, ultimately reducing future opportunities and revenue streams.²¹ These risks will only heighten.

The nature of sponsorship deals and commercial partnerships means that when a crisis or scandal hits, both parties suffer.²² This dynamic is particularly strong within the realms of sport, as many polluting businesses tend to find themselves buffered by the sports organisation, which is inherently public-facing, reliant on frequent interactions with its fanbase, and embedded within wider communities. As such, maintaining a positive reputation and reducing the risk of public backlash and reputational damage is vital for sports organisations in order to secure ongoing attendance and community support, as well as a productive relationship with fans.

As a result of these pressures, sports organisations may sever commercial ties with the polluting partner. Some might fear this resulting in a financial shortfall which could hinder the organisation's ability to deliver its objectives. But, recent research finds a causal link between climate litigation and stock prices, where a filing or an unfavourable court ruling in a climate-specific case reduces a firm's value relative to expected values.²³ This means that retaining controversial sponsors who attract negative attention is a known, material risk. Even though not all sports organisations are publicly listed, financial risks persist. For instance, public backlash over partnerships with polluting companies can impact membership fees through mass cancellations, as was the case when British Cycling entered into an eighty-year sponsorship deal with fossil fuel major Shell.²⁴ Given the possibility of such situations arising, it is vital that sports organisations start building the capacity to manage and navigate these risks, know how they could impact various income streams, as well as the motivation and commitment of staff, players, fans and other potential sponsors.

Sports organisations have recently been targeted by campaign groups and activists for partnering with environmentally harmful companies, ultimately damaging sporting bodies' reputations and, in some cases, causing deals to end prematurely as a result (see Section 8 below). This is a global phenomenon, with successful campaigns seen at the top of Australian Tennis,²⁵ but more recently campaigners targeting Wimbledon²⁶ and the Rugby World Cup over polluting sponsorship deals.²⁷

The policy landscape is fast developing too. Regulators are beginning to ramp up efforts to tackle greenwash and advertising that contains misleading green claims or omits material information about the climate impacts of specific products. For instance, a recent ruling against FIFA from the advertising regulator in Switzerland, The Swiss Fairness Commission, ruled that FIFA's claims that the Qatar Men's World Cup would be the first "fully carbon neutral World Cup" were unsubstantiated and misleading.²⁸ In a similar fashion, the UK advertising regulator, the Advertising Standards Authority (ASA), recently published a raft of rulings against fossil fuel companies for making misleading environmental claims and omitting material information about how the companies' operations contribute towarsd climate change.²⁹

It is not beyond the realms of possibility that 'tobacco-style' bans on certain kinds of advertising are introduced on climate grounds - with the likes of the World Health Organization (WHO), the United Nations Environment Programme (UNEP), and the UK's House of Lords Environment and Climate Change Committee all recommending the use of such policies to meet climate targets.

Although there are risks ahead, there are also opportunities in formulating low-carbon sponsorship and commercial deals. Aligning commercial strategies with more ambitious climate action could create commercial opportunities with companies and industries that are yet to engage with the sports industry. For example, sustainable food brands like Quorn have made significant inroads in sport through commercial partnerships with Liverpool FC,³⁰ the Lawn Tennis Association (LTA)³¹ and individual athletes.³² Taking a more ambitious stance on low-carbon sponsorship and commercial deals could boost a sports organisation's brand value and give it a competitive advantage against its peers.

For sports organisations that are yet to fully engage with the scale of changes required to address climate change amid this groundswell of genuine concern from athletes and fans alike, there is a real risk of being seen to do nothing. At the same time, there is a vast untapped opportunity to use sport as a vehicle for accelerating transformative climate action in areas of society that national climate policy has historically struggled to reach.

6. How does polluting sports sponsorship make emissions worse and sustainable behaviour more difficult?

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The importance of advertising and sponsorship as a means of helping or hindering the adoption of low carbon lifestyles is increasingly being recognised by notable authorities, experts, and decision makers. In countries that have a legal obligation to reach net-zero by the middle of the century, such as the UK, stimulating more sustainable behaviour changes amongst the public will be an essential part of achieving these goals; whether its shifts in travel choices, changes in diet, or reducing the demand for fossil fuelled goods and services, such as SUVs and air travel.

The recent IPCC report suggested that changes to our lifestyles and behaviours could result in a 40 to 70 percent reduction in greenhouse gas emissions by 2050.³³ Not only does this highlight the untapped potential for behaviour change to rapidly cut emissions, but it also highlights the pioneering role sport could play in accelerating and scaling sustainable behaviour changes and, in the process, helping entire economies to reach net zero.

More often than not though, advertising and sponsorship (within sport and beyond) actively undermines these aims. Advertising and sponsorship influences people's choices through the promotion of particular products and services, as well as normalising certain behaviours, consumption choices, and lifestyles. Recent research suggests that the uplift in sales generated by advertising in the UK was responsible for 208 million tonnes of CO2e in 2022, which equates to 32 percent of the carbon footprint of every single person in Britain.³⁴ In addition to this, companies use advertising and sponsorship to build a brand and communicate their purpose, often influencing both the public and key decision-makers, thereby strengthening their social licence to operate, otherwise known as soft power. Evidence also suggests that advertising can, and does, motivate unsustainable choices and behaviours.³⁵

Within sport, there is an emerging evidence base that highlights the effectiveness of commercial partnerships and sponsorship deals. Researchers have found that fans and spectators begin to associate the intense collective emotion of sport with the brands that sponsor the teams, leagues, and tournaments.³⁶ Over time, fans build positive associations with specific brands, often overlooking their more questionable and damaging practices, such as driving climate change or human rights abuses.³⁷

The effectiveness of sports sponsorship is reflected in its economic scale, with the global market worth nearly \$78 billion as of 2022.³⁸ The global market is anticipating continued growth of over 8 percent a year, reaching a valuation of just over \$116 billion by 2027.³⁹ These large sums do not mean, however, that all sports organisations benefit equally from such commercial deals as the spread is highly unequal across the international sports sector.

In October 2022, the UK's House of Lords published the In Our Hands report which states that one third of the emissions reductions required by 2035 have to come from changing how we travel, what we eat, and how we heat our homes. The role of advertising is explicitly mentioned in the report as a "powerful influence on consumer behaviour on a large scale" and the authors call for "measures to regulate advertising of high-carbon and environmentally-damaging products."⁴⁰ Guidelines published by the United Nations Environment Programme (UNEP) suggest that such measures might include regulating advertising of carbon intensive transportation modes like flying, and selected high-carbon foods such as meat, dairy products and certain types of fish.⁴¹ Advertising, the UNEP report notes, fuels consumption to meet needs that "might be better met through alternative and less climate-damaging means."⁴²

In parallel with this, the world of sport is beginning to grapple with the necessity of behaviour change to meet climate goals. As part of the UN-led Sports for Climate Action Framework, participants are asked to adhere to five principles:

- 1. Undertake systematic efforts to promote greater environmental responsibility;
- 2. Reduce overall climate impact;
- 3. Educate for climate action;
- 4. Promote sustainable and responsible consumption;
- 5. Advocate for climate action through communication.

Adhering to these principles is impossible without engaging with sustainable behaviour changes and encouraging their implementation. But more importantly, sponsorship and advertising in sport could actively work against achieving these goals, particularly Principle Four and Five, given its impact on shaping consumption and normalising environmentally damaging behaviours.

Sport as a positive messenger for climate action

There is also emerging evidence that sports organisations and athletes can become **positive and trusted messengers** on matters of climate change and sustainability. Not only is this important for raising awareness and convincing fans (and the wider public) of the need for action, it can also help normalise sustainable choices and behaviours to help embed them into everyday lives.⁴³ As trusted and positive messengers, athletes and sports organisations alike can make climate action personal, accessible, doable and normal in an empowering way that builds engaged and proactive collectives that can drive more ambitious action within and beyond sport.⁴⁴

Sports organisations and athletes can also hold considerable sway in political circles over matters of public policy - a phenomenon that is often referred to as the 'Marcus Rashford effect'.⁴⁵ In the USA, in 2019, six-in-ten adults (62 percent) believed it's very or somewhat acceptable for professional athletes to speak out publicly on political matters,⁴⁶ which could include climate issues. In a more recent poll conducted by Ipsos Mori in 2021, half of the American public believed it was right for athletes to use their platform for good.⁴⁷ This bestows sports athletes with a responsibility organisations and to communicate with honesty and authenticity about the challenges and opportunities of tackling climate change.

The already substantial, but growing, evidence base around the issue of polluting advertising and sponsorship emphasises how they can undermine efforts to embed sustainability within and through sport. Given this, it is vital that sports organisations of all types acknowledge the role the advertising and sponsorship explicitly and implicitly plays in their sustainability strategies and environmental initiatives.

7. What can sports organisations do?

Sports organisations can do what sport does best: plan, train and work to win the climate game. Like in any match the clock is ticking, there are opponents, and you need a strategy with a course of action clearly laid out.

There are many ways in which sports organisations can begin to address the issue of environmentally harmful sponsorship and advertising within their respective industries and advocate for the implementation of commercial strategies that are aligned with a future in which both sport and the planet thrive.

However, it is important to stress that there is no one-size-fits-all approach, as every sports organisation has different remits, financial resources, organisational capacities, management structures, and aims that require a dynamic and reflexive approach. This is particularly true in the wake of COVID-19, which decimated sports organisations budgets, with many still reeling from the economic fallout. Due to the ubiquity of polluting advertising and sponsorship within sport, there is also a need for pragmatism and open collaboration to tackle this issue where possible and when feasible.

To counter the dominance of environmentally damaging advertising and sponsorship within sport, and create commercial strategies that are aligned with a liveable planet, organisations can:

Introduce more robust due diligence tests and screening for prospective commercial partners

With the risks of partnering with polluting businesses only set to increase as the impacts of climate change disrupts daily life for billions, sports organisations must implement more robust due diligence for prospective commercial partners. Many sports organisations, especially those at the upper echelons of sport, have due diligence processes in place already to minimise reputational damage. This has led to some sports organisations ending relationships with companies associated with the Russian federation in the wake of the illegal and ongoing invasion of Ukraine.⁴⁸

There are a number of sports organisations that have introduced more robust due diligence procedures for prospective partners. In regards to polluting partnerships, Forest Green Rovers has a robust criteria for commercial partners that requires no involvement in fossil fuels. Other organisations have included gambling businesses and food products that are high in fat, salt or sugar (HFSS) into their due diligence tests for obvious reasons. However, due diligence tests more broadly are yet to grapple with the issue of sponsorship and commercial partnerships with polluting businesses and industries.

While it is prerogative of each sports organisation to design screen processes and define the remits it covers, there is scope to incorporate commercial partners' environmental impact and decarbonisation strategies by analysis their emissions disclosures, if they are available, or enquiring which reputable sustainable initiatives they are party to, such as the Science Backed Targets Initiative (SBTi). It should be stated, however, that these measures will only get you so far and might not cover all areas of environmental impact, such as Scope 3 or investments into fossil fuel assets. As such, ambitious sports organisations will have to vet potential commercial partners more thoroughly and would benefit from engaging and consulting with civil society groups and non-governmental organisations working on these issues.

Create a set of guiding principles for prospective commercial partners

Beyond due diligence, sports organisations can create and implement a set of guiding principles for prospective commercial partners. This can be an excellent opportunity to take a step back and think about the values of the organisation and the legacy that it hopes to create. As organisations that are place-based and embedded within communities, it is also an opportunity to engage local businesses and the community that the organisation serves. In terms of garnering engagement, this exercise could also be fruitful for gauging how the sports organisation is perceived and what values fans and followers believe it should instil going forward. To ensure these guiding principles are sufficiently integrated into operations, they could be embedded broader Environmental, Social, within Governance (ESG) strategies.

The Climate Council in Australia⁴⁹ has helpfully set out a series of guiding questions to help decision-makers within sports or cultural organisations to align commercial strategies with their values:

- 1. What are our core values as an organisation?
- 2. What are the most important things we want to achieve as an organisation?

- 3. What kind of impact do we want to have on our community (or stakeholders)?
- 4. How do we want to be perceived by our stakeholders?

The answers to the above questions should determine if there is a current alignment between the organisation and its commercial partners. And, if not, the answers should help determine the direction of travel needed to bring alignment within reach.

Screen-out highly polluting commercial partners

More ambitious sports organisations may introduce blanket bans on certain industries. While there are examples of sports organisations having blanket bans for gambling businesses, alcohol manufacturers, and fast food businesses, only a limited number of sports organisations have introduced bans for polluting sponsors to date. However, this is likely to change in the coming years.

The arts and culture sector offers a glimpse of the effectiveness of blanket bans which were successfully introduced after hard-fought grassroots campaigns. After more than a decade of campaigning, the Art Not Oil coalition has pushed some of the most renowned arts organisations in the UK to end their commercial relationships with fossil fuel companies, including the National Portrait Gallery, the Royal Opera House and the British Film Institute.⁵⁰ Similar wins have been made around the world, with the Van Gogh Museum in Amsterdam dropping Shell, the Canadian Museum of History ending their relationship with CAP, and the Perth Festival ditching Chevron.⁵¹

Join a recognised green sponsorship pledge and/or accreditation

There are a variety of initiatives springing up around the world that are seeking to bring together like-minded organisations that are pledging to phase out or introduce blanket bans on sponsorship and commercial deals with polluting businesses. Some of these initiatives are also offering accreditations so that sports organisations can send strong signals to their partners and fan bases that they are taking a stand on these issues. While there isn't ample room in this toolkit to give a comprehensive overview of all the pledges and accreditations available, here are a few of the most ambitious:

Game Changer Sponsorship Pledge

A joint project from Badvertising and Platform, the <u>Game</u> <u>Changer Sponsorship Pledge</u> seeks to bring together sports organisations, fans, athletes and campaigns from across the sporting world to raise awareness, share solutions and build capacity to address the issue of harmful sponsors, which covers high-carbon businesses, alcohol brands, and gambling platforms. Combining these industries will bring together successes from across industry which is hoped will inform and support wins elsewhere, with campaigns standing together to push for more ambitious change across the board.

As part of the project, there are tiered pledges available for signatories, ranging from sports clubs committing to not signing sponsorship deals with harmful industries, to athletes agreeing to speak out on issues of sponsorship. The overall aim of the initiative is to build "a future where sport can continue to bring people together and inspire change".⁵²

Fossil Fuel Free Sponsorship Pledge & Code

The Climate Council in Australia has launched a voluntary Code - <u>the Fossil Fuel Free Sponsorship Pledge</u> - for sports clubs and arts institutions to remove fossil fuel sponsorship from their kits, stadiums and sporting events. The Code was developed with researchers based at the Edith Cowan University in Western Australia, in response to growing pressures from athletes, artists, and fans.⁵³ The origin of this pledge should come as no surprise, as Australian sport has long been intertwined with high-carbon industries, with many clubs, stadiums and sporting events still taking money from big polluters.

The Code leverages a variety of entry points for moving beyond polluting sponsorship, including 'safeguarding health and wellbeing' of athletes, artists, and fans; 'advancing sustainability' environmental by rejecting fossil fuel partnerships; and 'living our values' to align actions with values and provide positive examples of ambitious climate action to the communities that sports organisations are embedded within.54

Use contractual terms and provisions to minimise the risks of entering into partnerships with polluter businesses

Due to the varying resources and capacities of different sports organisations to influence the business operations of some of their larger commercial partners, many are trying to leverage contract law to minimise risk and foster greater climate ambition. Some organisations are adjusting their contractual terms with their commercial partners to include "coolerplate" clauses, which give sports organisations certain rights in relation to their partners' climate impact.

As law firm Irwin Mitchell point out in their 'Sport and Sustainability: The Race to Go Green' report,⁵⁵ these "coolerplate" clauses could give sports organisations additional rights and guarantees from their commercial partners that could, if required as a last resort, allow sports organisations to terminate deals and claim damages if certain aspects are not being met. "Coolerplate" clauses can be used to create legal guarantees and assurances from the partner in relation to their commitments on sustainability and decarbonisation plans, covering points such as emission reductions, waste management and investments.

Including specific requirements on reporting and disclosures within "coolerplate" clauses can also allow sport organisations to continuously monitor and evaluate progress or shortcomings. Finally, termination provisions can be included to give the sports organisation the right to terminate the relationships if the partner fails to comply with the sustainability guarantees and assurances included in the agreement.

Ultimately, such contractual clauses can help reduce the risk of reputational damage as sports organisations can point towards the legal assurances they have in place and use the partnership to mobilise the partners' climate strategy. The flipside is that the clauses could mean the organisation in question is forced to terminate a deal and fill any shortfall in funding.

Embed commercial partnerships and sponsorship in sustainability strategies and Environmental, Social and Governance (ESG) workstreams

Within sports organisations, commercial departments and sustainability are most usually two separate and siloed areas of operations. Given the heightened risks associated with pursuing sponsorship deals with polluters in the current climate, the empirical evidence on how environmentally harmful advertising shapes behaviours and aspirations, and the emerging opportunities available to those that take lead on this area, these two threads of operations could be better integrated. Integrating aspects of commercial partnerships and sponsorship together within a single ESG framework is the most effective method of ensuring its longevity and success. Embedding matters relating to commercial partnerships and sponsorship into organisations' broader sustainability strategies would be a step-change in the dominant approach to sustainability in sport. It would require taking a more comprehensive and joined-up approach to sustainability, one that explores the role of sports organisations as partners in the energy transition and a vector for stimulating greater climate ambition. There is also scope for sports organisations to align ESG frameworks with prospective partners, with a view of identifying and rectifying any contradictions.

Such an approach will open up opportunities, but may also entail forgoing some easy, but self-defeating options such as commercial deals with polluting industries. These challenges, however, need to be weighed against the considerable and growing risks of partnering with polluters.

8. Who has done what? Precedents for restricting polluting sponsorship and advertising in sport (and beyond)

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There are a number of occasions where organisations in sport and beyond it have shunned polluting sponsorship. Some of these instances were due to grassroots campaigns targeting sports organisations due to climate concerns or concerns over human rights abuses, while others were due internal decisions to avoid any reputational damage or fallout. All of them, however, show that there is a precedent for moving beyond environmentally harmful sponsorship and that it is possible. The following list is not exhaustive, but highlights the direction of travel.

Within Sport:

- In 2022, Tennis Australia the governing body for tennis in Australia that runs the major Opens and Cups in the country – was pushed by a grassroots campaign to drop oil and gas major Santos as a sponsor after one year of the multiyear deal.⁵⁶
- In the build up to the Women's World Cup in 2023, FIFA was forced to backpedal on the proposed idea to make Visit Saudi a major sponsor of the tournament after widespread backlash from organisers and players.⁵⁷
- Following media comments made by Australian cricketer Pat Cummins in 2023, Cricket Australia's sponsorship deal with coal giant Alinta Energy was brought to a swift conclusion.⁵⁸
- In 2023, German footballing giant, FC Bayern Munich, recently ended their partnership with state-owned Qatar Airways after five years following fan protest against the Gulf State's human rights record.⁵⁹
- In early 2023, the English Rugby Football Union (RFU), the national governing body for both grassroots and elite rugby, turned down a very lucrative five-year sponsorship agreement with oil and gas giant ExxonMobil, estimated to be worth around £2.5m.⁶⁰ The reasons for turning down this deal were cited as fears of facing public backlash.
- In the wake of Russia's invasion of Ukraine in 2022, finally UEFA ended its partnership with Russian fossil fuel giant

Gazprom with immediate effect and across all competitions.⁶¹ The deal was estimated to be worth \$45 million per year.⁶²

 In 2021, Channel 4 dropped fossil fuel major BP from its coverage of the Paralympics.⁶³

Beyond Sport:

- In 2023, Picturehouse cinemas ended its sponsorship deal with petrochemicals giant INEOS just a few months after the deal was announced.⁶⁴
- In 2023, the British LGBT Awards dropped its sponsorship deals with Shell and BP after both nominees and judges began pulling out of the event, citing climate concerns.⁶⁵
- The Royal Opera House in the UK dropped its sponsorship deal with fossil fuel giant BP after 33 years.⁶⁶
- In 2022, the National Portrait Gallery ended its relationship with fossil fuel major BP after 30 years, following protests from artists, campaigners and the public.⁶⁷
- In 2018, the National Gallery in London, UK, ended its relationship with fossil fuel giant Shell after years of campaigning.⁶⁸
- In 2018, musician Neil Young protested against the sponsorship deal with Barclays bank for his London Hyde Park show. Young refused to work with a "fossil fuel funding entity" and the deal subsequently ended.⁶⁹

9. Further Reading

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If you'd like to find out more about this growing issue in sport, and the nexus of sport and climate change more broadly, then you can check out the following reports:

- Badvertising, 2021, "Sweat Not Oil: Why sports should drop advertising and sponsorship from high-carbon polluters", https://www.badverts.org/publications/SweatNotOil
- Badvertising, 2023, "The Snow Thieves: How high-carbon sponsors are melting winter sports", <u>https://www.badverts.org/publications/TheSnowThieves</u>
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- Badvertising, 2023, "Caught Offside with Offsets? Why offsetting won't solve sports' climate problem", <u>https://www.badverts.org/CaughtOffsideWithOffsets</u>
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- Irwin Mitchell, 2023, "Sport and Sustainability: the race to go green", <u>https://foleon.irwinmitchell.com/sports-report/</u>
- David Goldblatt, 2020, "Playing Against the Clock: Global sport, the climate emergency and the case for rapid change", Rapid Transition Alliance, https://rapidtransition.org/wp-content/uploads/2020/06/ Playing_Against_The_Clock_FINAL.pdf

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