



PlanetGoals

*Capacity Building Course
for Professionals*

PlanetGo

MODULE 4. ENVIRONMENTAL AND SOCIAL GOVERNANCE (ESG) STRATEGY IN FOOTBALL-RELATED ENTITIES

- ESG definition and its benefits: financial, societal, and environmental impact, and long-term competitiveness.
- ESG frameworks guiding strategies (i.e United Nations Sustainable Development Goals, the Global Reporting Initiative Standards and the Sustainability Accounting Standards Board Standards, etc).
- Materiality Assessment for prioritization the right actions to take to meet goals.
- Measuring progress and success: metrics tracking ESG key performance indicators (KPIs).

INTRODUCTION

Sustainability and responsible governance gain more and more ground when it comes to business investing and operations across all industries, including football-related entities whose potential social and cultural influence is well-established as football is the most popular sports in the world with millions of supporters and fans, employees and engaged parties. Football clubs, associations, federations, and organizations can be vehicles for positive societal and environmental changes but they also need to address challenges and opportunities in relation with the international nature of the sport and the socio-environmental impact of their operations.

In this sense, the adoption of **Environmental, Social, and Governance (ESG)** practices by football-related entities can assist them in boosting their reputation, creating stronger ties with their respective communities and fan bases, improve their competitiveness, and mitigate the risks that their operations pose. Designated ESG strategies enable football to foster social inclusion and integration, minimize the

environmental footprint, and establish governance structures that are centered around transparency and accountability.

This module begins with presenting certain fundamental aspects of ESG, focusing on the benefits of ESG adoption by football-related entities, exploring existing frameworks that guide sustainability strategies, and emphasizing on the significance of measuring any progress via Key Performance Indicators (KPIs).

1. DEFINITION OF ESG AND ITS BENEFITS FOR FOOTBALL-RELATED ENTITIES

1.1 What is ESG?

Environmental, Social, and Governance (ESG) is a set of standards for how organizations, businesses, and industries operate in regards to the planet and its people as well as to their internal structures, aiming at formulating a holistic approach that incorporates sustainability and balances profit with purpose. ESG criteria could ensure the positive contribution of such actors towards society and the environment and their transparent and ethical governance.

When it comes to football, ESG covers a wide range of activities:

- **Environmental:** Reducing the environmental impact of sports infrastructures (e.g., with the sustainable construction of new or the renovation of existing facilities), adopting energy-saving and sustainable waste management solutions, and minimizing mobility emissions.
- **Social:** Focusing on community engagement, enhancing inclusion of vulnerable groups of people in football activities, and fostering gender equality among participants and supporters.
- **Governance:** Incorporating transparency in decision-making, ethical business conduct, accountability, anti-

corruption policies, and stakeholders' engagement.

Football-related entities can lead by example demonstrating how popular organizations with massive operations can balance sustainability with the pursuit of growth.

1.2 The Benefits of ESG for Football-Related Entities

ESG practices can benefit football-related entities both **directly** and **indirectly**, from cost saving and maximizing operational efficiency to improving fan engagement and building a good reputation. Below a short elaboration on these benefits follows, classified in three categories, **financial**, **social**, and **environmental**, with all three contributing to the desired long-term competitiveness.

1.2.1 Financial benefits

The financial benefits of adopting ESG strategies in football may include a more efficient operational capacity that leads to cost saving, revenue growth from new business opportunities, attracting sustainable investment, and improved risk management.

1.

Cost saving through enhanced efficiency: Sustainable energy practices, like the installation of energy-efficient lighting systems in football infrastructures can ensure important cost savings. For instance, FC Barcelona will use smart lighting in the future Camp Nou stadium, reducing its energy consumption.¹ Usually, operational costs are reduced in the long-run for clubs that adopt sustainable waste management, energy and water use optimization schemes, and recycling programs.

2. **Revenue growth:** Supporters and sponsors tend to provide more support for football-related entities that demonstrate

¹ More information on the sustainability strategy that accompanies Barcelona's planning for the new Camp Nou are available here:

<https://www.fcbarcelona.com/en/card/1651903/sustainability-future-camp-nou>.

strong ESG credentials, and financial partnerships that take into account ESG concerns are more appealing to conscious consumers.

3. **Risk management:** Risks that relate to environmental and societal factors are more and more common in the football world, requiring designated ESG strategies that can safeguard the adopting actors. For instance, clubs that implement climate adaptation practices can achieve operational continuity in extreme conditions that otherwise would affect their schedule.
4. **Attracting sustainable investment:** Investment into sustainable organizations goes in high numbers in this era and football-related entities which are in-line with ESG standards can access such kind of funding either for sustainable infrastructure projects or for community-engagement initiatives.

1.2.2 Social benefits

By deploying ESG strategies, football-related entities can lead to an improved public health, foster diversity and inclusion, and boost community engagement.

1. **Public health improvement:** Football clubs are ideal to promote physical and mental health via their popular platforms. **Barcelona Foundation**, for example, implements projects targeting underprivileged youth (e.g., refugee children, unaccompanied minors etc.) and aiming at improving their overall well-being with an emphasis on physical and mental health.²

² As per the official Barcelona Foundation's website: "We want to improve the physical, mental and emotional health of children and young people through programs to facilitate access to medical, emotional and psychosocial care both in the hospital and the community. Likewise, we strengthen the prevention of diseases

2. **Inclusion and diversity:** Football-related entities that prioritize inclusivity and diversity (e.g., through anti-racism and gender equity campaigns or grassroots programs for vulnerable groups) can achieve an remarkable social impact. For example, UEFA, the governing body of European football, has developed the **#EqualGame** campaign to promote “the vision that everybody should be able to play football”.

3. **Community engagement:** Football entities exercise a significant influence to their communities, especially at local and national levels, thus enhancing their community bonds and improving their public image when implementing outreach programming that benefits the locals. **FC Everton's “Everton in the Community”** initiative, that includes activities with regards to education, health and employment for the underprivileged communities of Liverpool, is a perfect example in this field.³

1.2.3 Environmental Benefits

Football-related entities are involved in huge operations that have a strong environmental impact to be mitigated by ESG practices, thus contributing to environmental sustainability through carbon emissions reduction, sustainable waste management, water saving, and environmental education.

1. **Carbon footprint reduction:** Clubs and associations can reduce their carbon footprint by prioritizing renewable energy solutions, promoting smart mobility, and

that affect children in vulnerable situations at the local and international levels, and we work to mitigate the impact of disorders that may represent a limitation for the proper development of children and young people”. Available in <https://foundation.fcbarcelona.com/en/our-work/programs-and-methodologies>.

³ More information about the Everton's initiative could be found in this link: <https://www.evertoninthecommunity.org/>.

eliminating paper waste. The “world’s greenest football club”, **Forest Green Rovers**, powers its stadium exclusively by renewable sources and uses an organic turf without any use of fertilizers and pesticides, bringing sustainable innovation to the world of football.

2. **Waste management:** More and more football clubs deploy strategies for the reduction of waste, for the elimination of single-use plastics, or for the promotion of recycling across all their activities, contributing to an eco-friendly stance towards the environment.
3. **Water saving:** Football turfs require huge amounts of water for their irrigation and innovative water recycling solutions can effectively reduce water consumption, mainly by making advantage of rain water.
4. **Environmental education:** Football-related entities usually have powerful platforms and loyal fan bases to be used for the promotion of environmental education and advocacy. Campaigns that include popular footballers to promote environmental awareness tend to be very effective.

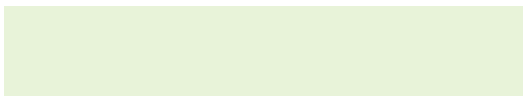
1.2.4 Long-term competitiveness

Beyond the above mentioned benefits, alignment with ESG frameworks improves the long-term competitiveness of football-related entities. ESG strategies usually ensure the adopting actors' compliance with state-driven environmental regulations, enhance their chances of being benefited by fan engagement and gathering the top talents, in terms of staff and players, and make them attractive for sponsors that count sustainability as an important factor when deciding their resources allocation.

EXAMPLES

SOURCES

- [Barcelona Foundation](#) with regards to social sustainability projects focused on underprivileged individuals' well-being.
- [Everton in the Community](#), FC Everton's sustainability project that seeks to improve the well-being of the local community's underprivileged persons.
- Forest Green Rover's [Eco Park](#), the world's future greenest stadium.
- UEFA's "[Equal Game](#)" initiative for the promotion of inclusivity and diversity across European football.
- [Sports Positive League](#) initiative that ranks the sustainability initiatives of professional football clubs.
- Freshfields Bruckhaus Deringer, [A Legal Framework for the Integration of Environmental, Social and Governance Issues into Institutional Investment: A Report Produced for the Asset Management Working Group of the UNEP FI, 2005.](#)
- Cogan, Douglas G. (March 2006). [Corporate Governance and Climate Change: Making the Connection.](#)
- George Timms, [What Sports can Learn from ESG.](#)
- George Koulouris, *Embracing ESG principles.* [How football clubs can make a difference.](#)
- Kyle Peterdy, [ESG \(Environmental, Social, Governance\). A management and analysis framework to understand how sustainably an organization is operating.](#)



2. ESG FRAMEWORKS

Integrating **ESG strategies** to football world is not always easy and globally recognized frameworks with which football-related entities could be aligned can be proven crucial in maximizing the effectiveness of such initiatives, by providing structured models for tracking the ESG activities as well as for ensuring continuity and accountability. For the purpose of this study, some of most popular ESG frameworks are briefly described and presented in relation to football operations.

2.1 United Nations' Sustainable Development Goals (SDGs)

The **United Nations Sustainable Development Goals (SDGs)** are a set of 17 global goals established in 2015, aspiring to address significant environmental and social challenges by 2030. These goals are well-known as a universal framework for all sectors when it comes to sustainability promotion. Regarding football, SDGs can be helpful in identifying key-areas for intervention and they provide guidelines on how to measure and report any progress.

Certain SDGs can be relevant to football operations:

- **Goal 3: Good Health and Well-Being:** As it was also analyzed above, football-related entities are ideal candidates to engage their communities for the

promotion of physical and mental health. Mental health campaigns for sportspersons are getting extremely popular these days as well as programs which seek to improve fans' fitness level.

- **Goal 5: Gender Equality:** Gender inequality is a long-standing issue across football operations, that is somehow mitigated by the promotion of women's football or the deployment of women in leadership positions.
- **Goal 13: Climate Action:** Football clubs, associations, and federations can be pivotal in raising awareness towards climate change consequences and leading by example in the forms of reducing their carbon emissions or adopting sustainability projects.
- **Goal 11: Sustainable Cities and Communities:** Sustainable infrastructures can reshape the cities and communities where they are located, for instance by creating green, public spaces around the football stadiums, by promoting public transportation to reduce traffic congestion during match days, and by producing less waste.

2.2 The Global Reporting Initiative (GRI) Standards

ESG is not only for implementing sustainability initiatives but comes also with accountability and reporting responsibilities and the **Global Reporting Initiative (GRI)** is one of the most popular, relevant frameworks, providing extensive guidelines for organizations to report their economic, environmental, and social impact in a transparent manner.

Football-related entities can adopt the GRI set of standards to ensure comprehensive reporting on their ESG activities. Key benefits may include:

- **Transparency:** GRI's reporting guidelines provide a clear structure for the disclosure of ESG performance,

ensuring transparency with fans, sponsors, investors, and competent, regulatory bodies.

- **Engagement:** GRI assist the football-related entities' engagement with stakeholders and demonstrates their commitment to sustainability.
- **Benchmarking:** GRI enables football-related entities to benchmark their sustainability efforts in relation to global standards, identifying areas for improvement and aligning their efforts with international best practices.

2.3 Sustainability Accounting Standards Board (SASB)

The **Sustainability Accounting Standards Board (SASB)** is a non-profit organization that provides industry-specific standards to help organizations report on sustainability, specializing on financial performance. SASB is particularly beneficial for football-related entities that wish to communicate their ESG performance to investors and sponsors.

SASB standards for the sports sector may emphasize metrics related to climate risk, energy consumption, waste management, and social inclusivity and football-related entities that adopt SASB standards can benefit from:

- **Investor confidence:** By reporting on financial ESG issues, football clubs can attract socially responsible investors and demonstrate their commitment on mitigating long-term risks.
- **Sector-specific relevance:** SASB's industry-specific standards support the football-related entities' reporting to be aligned with the adopted business model.

2.4 Other Relevant ESG Frameworks

While the SDGs, GRI, and SASB are among the most widely adopted frameworks, football-related entities may also consider other relevant set of standards for their strategies:

- Task Force on Climate-related Financial Disclosures (TCFD):** The TCFD was established by the Group of 20 and the Financial Stability Board in 2015 to provide recommendations for disclosing climate-related risks and opportunities. TCFD could be extremely valuable for football clubs or federations that face climate risks.
- ISO 20121 – Sustainable Event Management:** For football entities, especially governing bodies such as FIFA and UEFA, that host large-scale events, **ISO 20121** can be used for seeking guiding on making events and competitions more sustainable by reducing environmental impact, adopting best practices regarding resources management, and ensuring that environmental concerns go hand-by-hand with inclusion and diversity.

EXAMPLES

- United Nations' [platform](#) for the global football community to engage with and advocate for the Sustainable Development Goals.
- UEFA's [Sustainability Strategy](#).
- FIFA's [Sustainability Strategy](#).
- Tottenham Hotspur's [sustainable stadium](#).

SOURCES

- The [United Nations Sustainable Development Goals](#).
- The [Global Reporting Initiative](#).
- The [Sustainability Accounting Standards Board's](#) Standards.
- The [Task Force on Climate-Related Financial Disclosures](#).
- [ISO 20121](#) on Events Sustainability Management Systems.

3. MATERIALITY ASSESSMENT FOR PRIORITIZING RIGHT ACTIONS

3.1 What is a Materiality Assessment?

A **materiality assessment** is designed to assist organizations in identifying, understanding, and prioritizing the most relevant ESG topics for them, as not all of them have the same impact across the various sectors and specific conditions. Materiality assessment enables football-related entities to focus their efforts on the most significant ESG issues, ensuring the more effective and impactful resources allocation, and optimizes their decision-making ensuring that the sustainability initiatives will become an integral part for the organization's mission and internal operations. In addition, the involvement of stakeholders increases transparency, keeps the fan engaged, and builds trust. resources are allocated where they will have the most impact. By conducting regular materiality assessments, football clubs can ensure that their ESG strategies remain relevant, targeted, and effective.

3.2 Steps in a Materiality Assessment

1. **Stakeholder engagement:** Each stakeholder usually has different priorities so engaging with them is crucial in order to identify the needs and potential areas of intervention.
2. **Identifying ESG Issues:** This step should include reviewing industry trends, regulatory frameworks, and internal capacity to ensure a comprehensive view of potential ESG issues.
3. **Prioritization:** Evaluation of potential ESG issues with regards to their impact on the organization's operations and the their significance for the stakeholders and prioritization of those of them that can be more impactful for

both the organization and the stakeholders.

4. **Strategic integration:** Integration of the prioritized ESG topics into the club's strategic plans, operations, and reporting processes.

4. MEASURING PROGRESS AND SUCCESS: ESG KEY PERFORMANCE INDICATORS (KPIs)

4.1 Measuring ESG Progress

ESG strategies should be accompanied with regular progress tracking according to certain **Key Performance Indicators (KPIs)** that provide measurable metrics to assess the organization's performance in achieving the set ESG goals. KPIs ensure accountability and transparency, and foster continuous improvement. Football-related entities should establish systems for regularly monitoring and reporting on KPIs, including setting up **sustainability committees** that oversee ESG practices, working with external auditors to verify progress, and publishing annual sustainability reports. Some of the most common KPIs regarding sustainability that could be proven useful for football-related entities may be found below.

Environmental KPIs:

- **Carbon emissions:** Tracking the total emissions from events operations, clubs' and fan's transportation.
- **Energy consumption:** Monitoring the total energy consumed during operations in stadiums and training facilities as well in football-related entities' HQs.
- **Water consumption:** Monitoring the amount of water consumed in stadiums and training facilities.
- **Waste management:** Monitoring the amount of waste produced, recycled, or composted, and setting targets for

reducing waste.

Social KPIs:

- **Diversity and Inclusion:** Tracking the percentage of women and underprivileged groups of people in leadership roles and coaching positions within football-related entities.
- **Community impact:** Measuring the number of community-based activities and programs, the individuals reached by them, and the outcomes achieved.
- **Players' and staff' well-being:** Tracking the mental health support, injury prevention, and wellness programs offered to players and staff.

Governance KPIs:

- **Transparency in decision-making:** Tracking the percentage of decisions made with stakeholder input taken into account and number of governance reports that are accessible to the public.
- **Code of Ethics:** Tracking incidents related to corruption, discrimination, or misbehavior, and the effectiveness of mitigation initiatives and practices.
- **Stakeholder engagement:** Tracking the frequency and outcomes of community-based activities that target supporters and fans, sponsors, staff members, and the community per se as well as the number of actions taken based on stakeholders' feedback.

EXAMPLES

SOURCES

- Conservice, [The strategic value of ESG materiality assessments](#).
- Envoria, [6 steps to your ESG materiality assessment](#).
- Anne Dietrich and Brian P. McCullough, *Materiality assessment in sports - an opportunity and call for research*, Managing Sport and Leisure, 2024.

CONCLUSION

Incorporating **Environmental, Social, and Governance (ESG)** strategies has become essential for football-related entities in order to ensure their long-term competitiveness, environmental and social impact, and overall success. By understanding the frameworks guiding ESG practices, conducting materiality assessments, and measuring progress through KPIs, football clubs, organizations, and associations can lead by example towards a more sustainable and socially responsible future. Football entities are in a unique position to not only reduce their environmental footprint but also to act as catalysts for positive social change. Through strategic ESG integration, football can continue to inspire millions while making tangible contributions to a more sustainable and inclusive world.



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