

## **APPG: Call for written evidence – Sport, Modern Slavery and Human Rights**

**Submission from Colleen Theron, Director Ardea International on behalf of Ardea International.**

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### **Summary of Evidence**

**We have addressed the questions in relation to modern slavery and suppliers**

#### **Executive Summary**

1. As with all sectors, supply chains are also an issue for mega-sporting events and large sports clubs; long, complex supply chains crossing jurisdictions means that it is difficult for buyers to carry out sufficient due diligence processes or to achieve consistent labour standards from primary resource to finished product. Fragmented business structures will exacerbate this risk.
2. Construction is a major risk area in mega-sporting events; the need for venue, access and hospitality infrastructure is associated with a range of human rights issues including modern slavery (particularly of migrants) and forced displacement. Other key areas of concern for the sports sector as a whole are: hospitality, the production of material goods for retail, security and maintenance staff, land grabbing and the athletes or players at risk of human trafficking.
3. Approaches to implementing operational-level grievance mechanisms and remedy processes are outlined in the UNGPs, however often fragmented business structures pose a challenge to policy implementation beyond a superficial, tick-box layer.
4. The Modern Slavery Act has had little impact in galvanising the sports sector to take steps to combat modern slavery as evidenced by the poor disclosures of some of the football clubs whose statements we examined. Whilst there is growing evidence of legal, reputational and operational risks faced by organisations that are identified as having modern slavery in their supply chains, or who breach human rights, there appears to be little focus on these issues as a sector.
5. There is a need for governing bodies to take a more active role in providing leadership, guidance and training on these issues. Whilst the enquiry is focussed on modern slavery and sport, the relative immaturity of sustainable business models in the sports sector should not be overlooked.
6. There are some excellent examples of work being done in other sectors that can be drawn on as a model for the sports sector.
7. The impact of the different sports leagues such as football, provides a great opportunity for the leagues and the most prominent clubs to set examples in tackling modern slavery issues for other associated clubs.

8. In some ways the immaturity of the sector addressing these issues is also reflected in their failure to address sustainable practices beyond environmental sustainability.<sup>1</sup> It would seem that a shift in culture is required.

- **In your opinion, what are the most vulnerable positions in sporting supply chains?**

The most vulnerable aspect of all businesses lies in their long and opaque supply chains. The chain from primary resources to finished product is often highly complex with a range of suppliers, geographies, materials and workers involved. This is the inherent problem in the production of any material product and sporting supply chains are no exception. Fragmented business structures exacerbate the risk of this exploitation going unnoticed and un-remedied, with corporations who operate across jurisdictions through subsidiaries particularly at risk of hiding exploitation behind numerous steps of removal from parent corporation to primary supplier. Many businesses are becoming wise to these problems, putting human rights safeguards in place by asking suppliers to sign codes of conduct detailing ethical labour expectations and standards. Whilst these are important initial steps, there is mixed, largely anecdotal evidence regarding the tangible impact of these on the conditions of workers either in those companies or lower down the supply chains. Moreover, whilst these codes of conduct frequently contain principles requiring first tier suppliers to put in place similar expectations on their own, in reality the parent company cannot enforce or monitor it in the same way. Risks are passed further down the supply chain; despite the fact that they should remain the responsibility of the parent / contracting company and the risks become more hidden.

- **What are the human rights issues commonly found in sport supply chains?**
  - **What are some of the challenges to dealing with these risks and what can be done to address them?**
  - **To what extent can these be exacerbated by a mega-sporting event?**
  - **How can these be identified?**

One of the biggest human rights risk in sport supply chains, particularly regarding mega sporting events (MSEs), relates to the construction of host countries' arenas, stadiums, playing fields etc. Although some hosts may already have suitable

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<sup>1</sup> See Ardea International study on the ROI of sustainability: <http://www.ardeainternational.com/guides/study-benefits-return-investment-roi-sustainability-strategies-sports-sector-phase-2/> and a further discussion on financial drivers in "Sport Management and the Natural Environment: Theory and practice", Routledge 2015

infrastructure in place (e.g. the joint Mexico-US-Canada bid for the FIFA World Cup 2026), many countries require significant construction work to increase their capacity to host the event. The main risk areas for human rights in construction relate to: the use of migrant labour; forced labour and associated sexual exploitation<sup>2</sup>; and, forced displacement resulting from corporations' movement into an area and subsequent land grabs to make space for sporting infrastructure. Any goods manufactured en masse for a MSE will carry human rights risks, including merchandise, equipment, sportswear and food.

*Migrant labour* is repeatedly flagged up as a source of concern in the construction sector because of their vulnerability and lack of leverage with the construction companies. Migrant labourers' employment status is often tied to a visa system, for example, although authorities have promised reform, workers in Qatar are brought into the country and employed under the notorious kafala visa system that ties them to their employer<sup>3</sup> preventing them from seeking other work and leaving them vulnerable to being exploited. Moreover, migrant labourers may be controlled by employers who remove their identity and travel documents, preventing them from accessing services, moving around the country and proving their work status. They may also not speak the language of the destination country well, may not understand their labour rights or the immigration system and are often at the mercy of unscrupulous recruiters who withhold wages, provide substandard accommodation, undertake contract substitution (where the worker signs a work contract before their arrival only to find it is void, missing or are misled through mistranslation) or charge recruitment fees. These methods of physical and financial control create a relationship of dependency between the employer and worker, increasing the risk of worker exploitation and creating the conditions for forced labour and debt bondage (whereby the worker is charged extortionate amounts for accommodation, recruitment services and necessities that they can only pay off through additional work).

*Forced displacement and land grabs* are also associated with the construction industry<sup>4</sup>. Although often associated with resource extraction, any large-scale construction project may involve forced removal of communities to make space. Communities may be made homeless when corporations move in, particularly if

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<sup>2</sup> <https://policy.ciob.org/wp-content/uploads/2018/05/Construction-and-the-Modern-Slavery-Act-Tackling-Exploitation-in-the-UK-May-2018.pdf> (18)

<sup>3</sup> [https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=6&ved=0ahUKEwj-sKeDvdDbAhWlJsAKHSFxB8IQFghMMAU&url=http%3A%2F%2Fwww.ohchr.org%2FEN%2FHRBodies%2FHRC%2FRegularSessions%2FSession26%2FDocuments%2FA-HRC-26-35-Add1\\_en.doc&usg=AOvVaw1XrncbgY1NnQWJOSf5D9pE](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=6&ved=0ahUKEwj-sKeDvdDbAhWlJsAKHSFxB8IQFghMMAU&url=http%3A%2F%2Fwww.ohchr.org%2FEN%2FHRBodies%2FHRC%2FRegularSessions%2FSession26%2FDocuments%2FA-HRC-26-35-Add1_en.doc&usg=AOvVaw1XrncbgY1NnQWJOSf5D9pE)

<sup>4</sup>

<https://www.tandfonline.com/doi/abs/10.1080/07352166.2017.1355665?journalCode=ujua>  
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they are already in precarious housing (e.g. social housing / favelas / shanty towns) and are therefore subject to local authority decisions taken under pressure from companies. Even when local authority rehouses communities, people may be housed in temporary accommodation. These steps mainly result in economic and social issues, particularly undermining the rights to private and family life, right to housing and right to work. Displacement can also occur indirectly due to the gentrification of venue locations. Both London and Rio Olympics, for example, pledged a 'social legacy' of affordable housing for local communities. In London, flats were demolished<sup>5</sup> to make space for the Olympic Park, and the 'regeneration' that did occur has left the area unaffordable for previous residents, disrupting communities and damaging the local economy<sup>6</sup>. The much-lauded Morar Carioca plan for regeneration of Rio's favelas was shelved, having served its political purpose during a mayoral election at the time<sup>7</sup>, favelas were flattened and families evicted to make room for access roads. Whilst often presented as a positive step to improve the local economy, the reality of gentrification is that local communities are priced out of the area, also resulting in a deficit in the rights identified above.

*The manufacture of material goods* such as food and products for retail at MSEs and large sporting clubs can also present a human rights risk. Demand for cheap labour to manufacture cheap goods is often outsourced to developing countries such as India and China where working conditions such as low wages, unsafe working conditions, child labour and forced labour are common. Child labour has long been associated with the Olympics, with concerns raised over the manufacture of mascot toys produced ahead of London 2012; the manufacture of merchandise ahead of Beijing 2008; and, with the manufacture of goods carrying the Olympic logo for Greece 2004<sup>8</sup>. Moreover, the finding of modern slavery in sporting supply chains is not limited to just overseas manufacturing; in 2017 Sports Direct were named in three separate trials over the enslavement of Polish migrant workers at a warehouse in Shirebrook, UK<sup>9</sup>. The recruiters responsible for the workers targeted vulnerable people, including the homeless, and controlled victims financially and through threats of physical violence.

*Mega-sporting events* exacerbate these risks simply because of their enormous scale. Particularly when infrastructure is not already in place, the need for cheap,

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<sup>5</sup> Clays Lane Estate was the subject of a compulsory purchase order in 2005.

<sup>6</sup> <http://www.spiegel.de/international/europe/london-olympics-puts-focus-on-gentrification-of-stratford-a-846158.html>

<sup>7</sup> <http://www.rioonwatch.org/?p=17687>

<sup>8</sup> <https://www.icsspe.org/system/files/Mega-Sporting%20Events%20Platform%20for%20Human%20Rights%20-%20Childrens%20Rights%20in%20the%20Sports%20Context.pdf> (9)

<sup>9</sup> <https://www.theguardian.com/global-development/2017/aug/08/how-big-brands-including-sports-direct-unwittingly-used-slave-labour>

often migrant labour, is extremely high to meet demand. Countries may also need to improve or construct accommodation for sporting fans and expand road infrastructure to cater for the influx. Similarly, MSEs require a large number of extra personnel employed in cleaning, hospitality, security and maintenance, often through outsourced firms who find workers using recruiters. The risk of traffickers being involved in recruitment businesses is high, often because recruiters are in a position of power over vulnerable workers; for example, recruiters often target foreign nationals who may not speak the language and can be taken advantage of, they may use recruitment fees or have control of workers' identity and work documents. Any event where there is a sudden increase in the demand for labour is likely high risk for modern slavery and human trafficking. This is also true for sporting venues hosting league games and matches, and increasingly entertainers.

- **What can be done to address these challenges?**

Responsibility for these and any other human rights abuses occurring down the supply chain should of course be the moral responsibility of the parent corporation or organisations, however the state ultimately has responsibility to put safeguards in place by enacting legislation requiring corporations to conduct due diligence.

These issues can not be solved in isolation. Governments and the private sector should both take collective responsibility for trying to address these issues. Governments should be tackling the issue by ensuring that appropriate regulation and enforcement measures are in place. The sports sector should ensure that it follows the requirements of legislation such as the transparency in supply chain provisions in the Modern Slavery and the principles in the UNGPs by taking practical steps to address the risk in their organisations and supply chain through the development of robust due diligence procedures. One example is to ensure that larger clubs and organisations map their supply chains.

Supply chain mapping is the primary method by which organisations can identify and pinpoint particular areas of risk. This entails analysing suppliers by geographic location, sector and employment structure, and assigning high risk categories to goods or situations more likely to have been tainted by exploitation.

- **Can supplier companies effectively run grievance mechanisms and their remedies for all those affected by their activities?**

An increasing number of businesses are requiring their suppliers to sign codes of conduct detailing expected behaviour and ethics standards. These also contain provisions detailing grievance mechanisms and remedy measures (including apology, monetary compensation, rehabilitation or restitution) to compensate workers who may have experienced any form of human and labour rights abuse.

Some sporting organisations have started developing codes of conduct, for example Sport England.<sup>10</sup> Unfortunately, codes of conduct have only a limited reach and evidence on whether organisations are able to engage thoroughly with their tier two and below suppliers is anecdotal and inconsistent at best; there are a number of obstacles to thorough engagement. Auditing requires highly technical monitoring at every stage of the supply chain, suppliers often vary in their capacity to undertake audits to the same depth, and suppliers at a geographic distance from parent companies or buyer may avoid scrutiny. Secondly, publishing grievance and remedy strategy is a separate issue from whether they are being implemented in practice or not. Instead, there are concerns that drives for implementing grievance mechanisms from the top-down encourage a tick-box approach that assumes the principles and expectations laid out are filtering down to lower tier suppliers and making a tangible difference to working conditions. Although setting concrete grievance and remedy strategies in place does make human rights issues visible, often the approach is to fix a problem when it is out in the open, rather than mitigating risks beforehand.

- **Does the Modern Slavery Act sufficiently legislate against modern slavery risks in temporary / short-term jobs? How can this be improved?**

No. The Transparency in Supply Chain clause (Section 54) or the Modern Slavery Act only requires organisations to set out the steps they are taking to address the risk of modern slavery in supply chains. There is no specific legislative imperative on the issue of temporary and short-term jobs.

- **Can lessons from other sectors (e.g. apparel, agriculture, ICT etc.) be applied to sport and its supply chain? What has the UK government done to address issues in these sectors?**

The Seafood Ethics<sup>11</sup> Common Language Group was established to bring together actors from across the seafood supply chain and internationally to respond to unethical practices within the sector collectively (including retailers, foodservice, processors, NGOs, and fisheries). The group has undertaken a range of initiatives including developing a fisheries-specific risk assessment tool (RASS) which enables buyers to make informed judgements on the risks they face when sourcing seafood. There is a knowledge-sharing database where buyers can access information and data on developing their own responsible sourcing strategy. Both the methodology and language are accessible to users. It has also established a Responsible Fishing

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<sup>10</sup> <https://www.sportenglandclubmatters.com/club-planning/governance/policies-procedures/code-of-conduct/>

<sup>11</sup> <http://www.seafish.org/responsible-sourcing/discussion-forums/the-seafood-ethics-common-language-group>

Scheme to audit ethical and welfare compliance onboard fishing vessels, and a Responsible Fishing Ports Scheme to develop a new certification scheme on good practice and operational practice.

A number of retailers are launching their own mapping tools in an effort to be more transparent about where they source their goods from and enable buyers to make informed decisions about goods. Marks & Spencers' interactive Supplier Map<sup>12</sup> shows where all goods are made; it highlights not only production companies but also allows the user to pinpoint individual factories and farms used by their own suppliers. The sector-specific multi-stakeholder initiative Forest 500 has also undertaken detailed supply chain mapping<sup>13</sup> in conjunction with a range of businesses and NGOs to understand how a variety of products is associated with deforestation and environmental degradation.

### **Modern Slavery risk**

- **How significant is the risk of modern slavery in sport? What aspects of sport and its supply chain are most at risk? What safeguards can be put in place to protect victims?**

There is a heightened risk of modern slavery in the sports sector as evidenced by the human rights issues highlighted previously. As multi-million businesses with both labour and production supply chains for goods and services, the sector faces complex supply chain issues. One should, however acknowledge that the sports sector is very diverse and the issues that face the larger sporting clubs and MSE's will not be the same issues necessarily facing a small local cricket or rugby club for example. There is also the variation in the range of sporting activities that take place in the sports sector that will affect the risk of modern slavery.

As a general observation, the key risks faced by the larger sporting organisations in the sector are:

- Reputational risk;
- Legal; and
- Operational risk

Key areas of risk that face the sports sector are:

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<sup>12</sup> <https://interactivemap.marksandspencer.com/>

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[https://forest500.org/sites/default/files/supply\\_chain\\_transparency\\_network\\_state\\_of\\_play.pdf](https://forest500.org/sites/default/files/supply_chain_transparency_network_state_of_play.pdf)

- construction and refurbishment of stadia (environmental and human rights risks);
- hospitality sector;
- manufacture of sporting goods; and
- large scale recruitment of security firms/maintenance personnel
- trafficking of athletes.

The risk of forced labour and modern slavery in the sports sector, particularly arising from the construction of the stadia for the 2022 football world cup in Qatar, has placed the sports sector under greater scrutiny. A new report from the Chartered Institute of Building claims to have found numerous incidents of modern slavery on UK construction projects.<sup>14</sup> Often the time constraints put on building the venues for MSE's gives rise to the increase of unfair labour practices that do not always come under any government scrutiny.

As the issue of modern slavery comes under closer public and media scrutiny, governing bodies, sports clubs and MSE's risk reputational damage in failing to address the issues. In the recent Ardea report 'All That Glitters is not Gold', it highlighted reports on the use of gold sourced from conflict-zones to produce the medals for the Olympics by supplier Rio Tinto.<sup>15</sup>, implicating them and providing an example of the complex supply chains involved in sporting events. FIFA has also suffered reputational damage from scrutiny about its failure to address human rights issues.

Governing and sports bodies also face legal risks as evidenced by the 2016 case brought by a Dutch Trade union and a Bangladeshi worker against FIFA over the alleged mass exploitation of migrants at Qatar 2022 World Cup construction sites.

The hospitality aspect of stadiums also presents a risk. The hospitality sector is one which has recently come under scrutiny for its perpetuation of modern slavery. With nearly 25% of staff working in the UK hospitality industry coming from overseas, and many businesses using multi-tiered recruitment services to staff their hospitality services, the labour supply chain involved greatly increases the risk of modern slavery.<sup>16</sup>

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<sup>14</sup> <https://www.independent.co.uk/sport/football/international/world-cup-2022-qatars-workers-slaves-building-mausoleums-stadiums-modern-slavery-kafala-a7980816.html>

<sup>15</sup> Ardea International, "All That Glitters is not Gold: Shining a Light on Supply Chain Disclosure in the Jewellery Industry", December 2017.  
<http://www.ardeainternational.com/guides/all-that-glitters-is-not-gold/>

<sup>16</sup> <http://www.shivafoundation.org.uk/modern-slavery-uk-hospitality-industry-turning-blind-eye-risks-not-option-part-1/>

As highlighted earlier the manufacture of sporting goods is an area of risk of modern slavery for sporting organisations. This was most pertinently highlighted in the Clean Clothes Campaign reports of low wages and labour rights violations in football production in Pakistan, India, Thailand and China preceding the 2010 FIFA world cup.<sup>17</sup> When sourcing club kit, or if producing merchandise, complex global supply chains increase their risk of modern slavery.

It has come to light that the trafficking of athletes themselves has become an issue. Athletes are forced to change nationality, forced to compete without ever receiving their earnings in winnings, and even tricked into taking drugs. The International Association of Athletics Federations said they received 25 applications by athletes to switch allegiance in 2016, suggesting athletes are being pressured into switching. There are also several cases of foreign athletes being recruited under the false pretense of playing for much larger clubs and then actually training for minor clubs.<sup>18</sup>

These aspects of the business of sport and their complex labour and goods supply chains make the industry vulnerable to risks of modern slavery.

- **What are national sporting federations and clubs (such as the UK Premier League football clubs) required to do under the UK Modern Slavery Act? Are they complying to the letter and the spirit of the law? If not, what could be strengthened?**

Section 54 of the MSA requires commercial organisations to publish an annual modern slavery statement, to be signed by the board of directors and published on the homepage of their website. We carried out some brief research on the football industry's response to the requirements of the MSA.

The premier league itself has published a fully compliant modern slavery statement, which sets the standard for the rest of the clubs in the league.<sup>19</sup> However, out of the twenty clubs in the premier league, sixteen have published a modern slavery statement, of which only seven are fully compliant. Three clubs have not published a statement at all despite meeting the turnover threshold.

Discussing these issues with the in-house legal counsel for one of the premier league clubs, it is apparent that they want more guidance on these issues to emanate from

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<sup>17</sup> Ardea International, "Modern Slavery in the Sports Industry", April 2017.

<sup>18</sup> <https://sputniknews.com/sport/201708071056258652-athlete-trafficking-world-championships/>

<sup>19</sup> <https://www.premierleague.com/modern-slavery-statement>.

the Premier League. Whilst the Premier League has published a statement, it does not appear that this has proved an incentive for the clubs belonging to the premier league to do so.

The championship league, unlike the premier league, does not have a modern slavery statement. Additionally, only three of the clubs belonging to the championship league have published a statement, out of the 24 clubs in the league.

In respect of some of the other sporting stadiums such as the RFU (Twickenham Stadium), Wimbledon stadium, Lords Cricket Ground, Wembley Stadium, the Jockey Club and Principality Stadium there is a mixture of compliance.

- **How much awareness of modern slavery / human rights issues exists among athletes?**

The Premier League states in its modern slavery statement that it requires their staff to undergo training in anti-slavery. However, it does not specify if the players receive similar training. Those clubs within the premier league whose statements were looked at do not appear to require the training of their players. For example, Arsenal only says they require the training of their staff in the relevant functions considered most at risk and does not specify whether or not their players are trained as well or should be.

There is limited information about the extent to which athlete /people trafficking is occurring, compared to other sectors such as textiles and agriculture. Legislation does not mention the athletic sector or trafficking of athletes specifically.<sup>20</sup> Not only does this mean the public has little awareness of the issue, but athletes themselves have little awareness of the risks.

- **How can sport be used as a tool to combat and overcome human trafficking and modern slavery? Can this be applied in a wider context?**

Sport occupies a fairly unique stand-point in its popularity and the mass following it has to provide a leadership role in the fight against modern slavery.

The impact of the different sports leagues such as football, provides a great opportunity for the leagues and the most prominent clubs to set examples in tackling modern slavery issues for the other associated clubs. We have seen this with the pressure being put on FIFA and its recent responses to addressing human

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<sup>20</sup> <https://www.naswis.org/single-post/2017/06/06/Is-there-such-a-thing-as-%E2%80%98Athletic-Trafficking%E2%80%99>.



rights impacts. The Commonwealth Games have also set an example of addressing these issues.

An increased awareness would also help engage fans and players on these issues.

