

How is the Restart of Sports Impacting ESG companies?

By Dhruv Raval

As the world starts to adjust to the new “normal” amidst the pandemic caused by COVID 19, many businesses and organizations have had to rethink their operational structure to adapt in creative ways. One standout performance is the NBA “bubble” which occurred in May of 2020, in which athletes were isolated in the Orlando Disney World Area, eventually reaching 0 locally induced COVID 19 cases. It was remarkable the way they handled the situation and made the most of it, without the presence of fans.



Recently, the NFL and the NBA season have started back up again, this time without a “bubble” atmosphere, instead through precautionary measures and immense testing, they hope to let teams play in their home stadiums. Even though it may seem like the world is in a type of crisis right now, with the pandemic, increasing racial issues and climate change, sports helps many of us through such a stressful time.

The events of last year have amplified the importance of ESG, through climate change, the pandemic and racial injustice. Athletes have been extremely vocal in these movements and have publicly protested for these causes. The new fans of these pro clubs; Gen Z, are the most socially and environmentally aware generation yet. The combination of those two results in added pressure to the clubs to support and partner with ESG friendly companies, may that be through sponsorships or other means.

Many traditional sport brands are also changing their business habits to become ESG friendly. An example is Nike, who has numerous collabs with world renowned athletes, and have been actively part of the racial injustice movement. The NBA as well had “Black Lives Matter” written on the courts during the “bubble”, showcasing their social awareness.

Another example is the Seattle Krakens, the NHL’s 32nd team, participating in the 2021-2022 year. Their home stadium, the “Climate Pledge Arena” is a zero carbon facility, banning use of single plastics and using only renewable energy. This is part of Amazon’s “Climate Pledge” campaign, aimed to reduce carbon consumption and create a sustainable future by 2040. Although it was an expensive venture, costing around 300 to 400 Million, Amazon knows that their image as an ESG friendly business is worth more than that.

The sports industry is realizing that ESG is the future, and they will need to be a part of that to remain relevant. Unfortunately, although this increases ESG investing as a whole, the reasons for doing so can be looked at as disingenuous. These companies have understood that helping out in a social cause through donations or establishing a non profit is a type of investment that yields future customers and a better public image.

Read More:

- <https://sports.yahoo.com/sports-industry-primed-join-environmental-105512254.html>
- <https://www.sportico.com/business/commerce/2020/sports-industry-environmental-social-and-governance-initiatives-1234616037/>
- <https://www.spglobal.com/ratings/en/research/articles/201119-the-esg-pulse-co>

[vid-19-vaccine-hope-as-second-wave-sets-in-11740791](#)

- <https://www.nhl.com/kraken/news/climate-pledge-arena/c-317257744>