

## Legal Lessons From Past World Cups To Keep In Mind For '26

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The 2022 World Cup in Qatar and the 2023 Women's World Cup in Australia and New Zealand set new standards for sustainability, human rights and sponsorship — and with those new standards come new challenges.

In this article, we provide an overview of key considerations for legal professionals working on sponsorship agreements, environmental and decarbonization efforts, worker health and safety, and other labor matters that will affect groups involved in the planning, preparation and execution of the 2026 World Cup taking place across Canada, Mexico and the U.S.

### Navigating Sponsorship Entitlements

Every four years, the World Cup presents businesses with a number of opportunities for sponsorships. From official sponsor designations to venue signage and television ads, the world of sponsorship agreements for global sporting events such as the World Cup can be sprawling and intricate.

With the increased sophistication of digital and physical sponsorships, the complexity of the entitlements for sponsorships around the World Cup has only grown. The key for all parties is to fully understand what the entitlements in an agreement represent.

The 2026 World Cup will be a heavily televised event, and there are often constraints on what entitlements are allowed for television broadcasts. These can get very granular, outlining the number of graphic and audio mentions, the timing of each, the positioning of logos, and more.

Television entitlements can be some of the most difficult to navigate, and as such, it is important to review these terms carefully and have a full understanding of what they mean individually and as a complete package with other entitlements.

Modern sponsorship agreements also need to consider digital entitlements, which can include app-based and social media entitlements. Questions around what promotional content can be pushed out through an app, the frequency and timing of notifications, and how the app interacts with other platforms should all be covered in the agreement, with all parties being on the same page about such details.



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This was especially apparent during the 2022 World Cup in Qatar when Bud Light had signed on as the official beer sponsor of the matches with FIFA, only to be barred from the Muslim country.

Budweiser has since renewed its World Cup sponsor deal with FIFA and will still be the official World Cup beer through the 2026 tournament in North America.

### **Decarbonization and Environmental Attributes**

The 2022 World Cup placed a lot of emphasis on being the environmentally cleanest World Cup, with claims of being carbon-neutral. However, there was some public skepticism over the accuracy of those claims, both on how the greenhouse gas emissions were measured and how carbon offsets were used to counterbalance those emissions.

A carbon offset is an instrument that represents a permanent reduction in emissions, or an increase in carbon removal or storage that is used to compensate for emissions that occur elsewhere.

These offsets can then be sold and purchased on two different kinds of markets: mandatory compliance carbon markets — e.g., cap-and-trade programs that require sources of GHG emissions to meet regulatory emissions caps — and voluntary carbon markets.

The latter, which allows carbon emitters to offset their unavoidable emissions by purchasing carbon offsets, is the type of market that FIFA and other organizations will turn to in their efforts to make the games as carbon-neutral as possible.

The questioning of the net-zero claims in the 2022 World Cup stemmed from the ability to credibly calculate Scope 3 emissions, which look at the amount of emissions across the full supply chain.

The global market around carbon offsets was still relatively new in 2022, so many of the questions related to offsets will be easier to answer in 2026, including questions about how offsets may be regulated in the U.S.

Currently, there is not an established regulator in the U.S. to oversee the carbon offset market. However, the U.S. Commodity Futures Trading Commission has exclusive jurisdiction over the derivatives markets and holds anti-fraud and anti-manipulation authority over the underlying markets.

Some CFTC-regulated exchanges have futures contracts that reference carbon offsets, and CFTC commissioners have raised concerns about fraud in the voluntary carbon markets.

Since there are carbon offset derivatives products that can be purchased and sold on exchanges, those products are squarely within the CFTC's oversight and enforcement authority.

Therefore, stadiums and World Cup-associated organizations looking to purchase carbon offsets should be aware of what the CFTC is looking for in these transactions that raise concerns for the agency.

### **Workplace Safety**

When a gunman in New Zealand stormed a high-rise construction site hours before the first Women's World Cup game in 2023, it brought concerns of workplace safety around the tournament to the forefront.

For global sporting events like the 2026 World Cup, organizations are putting specific policies in place to keep their employees safe from incidents such as active shooters, stampedes, unruly fans and weather-related dangerous conditions.

Organizations with workers at U.S. venues will need to be aware of federal Occupational Safety and Health Act laws, as well as state and local laws and regulations.

According to the Occupational Safety and Health Administration, one of the best protections employers can offer their workers is to establish a zero-tolerance policy with respect to workplace violence, which includes robust training and a workplace violence prevention program.

Due to the high-profile nature of the World Cup, OSHA will undoubtedly conduct site inspections. When these occur, inspectors will be looking at several factors, including the following:

- Were the employer's own employees exposed to a foreseeable, hazardous workplace condition or practice?
- Was the hazard recognized?
- Did the incident occur in an OSHA-recognized high-risk industry?
- Does the evidence suggest that the employer or the employer's industry was aware of the hazard of workplace violence?

In addition to workplace violence, heat illness has become another major workplace safety concern following recent global sporting events. OSHA currently has a national emphasis program focused on heat illness as well as a proposed rule addressing the issue.

### **Workers' Rights Concerns**

Some of the major takeaways from the World Cup in Qatar were the importance of appropriate relations with migrant workers, as well as pay and safety concerns.

Following the games in Qatar, FIFA proactively established a human rights requirement, calling for all host cities to commit to and demonstrate compliance with a strict stakeholder engagement process.

In addition to those issues, other anticipated workers' rights issues in North America include the lingering pandemic and COVID-19 surges, historical injustices such as racial and religious injustices, economic equality, and child labor concerns.

These concerns will also not likely be limited to the actual events during the World Cup itself, but will extend to suppliers and vendors.

Over the last few years, there has been a tremendous surge in labor activity. A recent poll found that a majority of Americans, including 77% of young people and 67% of Gen Z, support a worker's right to join a union.

This points to a growing national sentiment that changes are needed to support workers' rights and ensure that the economy works for all people.

Labor concerns and related actions will likely come in many forms at the World Cup. The surge in labor activity outlined above will likely create additional public pressure on companies to utilize unionized workforces for as many aspects of their involvement in the games as possible.

There will also likely be crossover between social issues and labor concerns, as workers may choose to engage in demonstrations to support certain social or climate-related causes.

Further labor management considerations include an inability to establish a uniform agreement across the various cities and venues of the games, as well as work stoppage concerns that could affect actual games or impede access to them for vendors, fans and even players.

### **Preparing for Kickoff**

The World Cup is the most-watched sporting event on the planet, and the preparations take place over years.

As businesses and organizations begin to take advantage of the many opportunities the games present, they will have to negotiate complicated sponsorship agreements, participate in nascent carbon offset markets, mitigate worker safety risks and navigate a turbulent labor environment.

The factors and steps outlined here are a good starting point for those groups hoping to achieve their World Cup goals.

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