

## **Safeguarding Matters Podcast – Safeguarding in E Sports with Fnatic**

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### **Catherine Sykes**

Hello, I'm Catherine Sykes and I am the safeguarding in unregulated sports and activities officer at the Ann Craft Trust. Today I am joined by Andrew Cook from Fnatic to talk about the world of E Sports.

This is an area which is hugely growing as an industry, so we thought would be really useful just to gain a bit of a better insight into this world. Andy, did you want to introduce yourself?

### **Andrew Cooke**

Hello everybody. My name is Andrew Cooke. I'm general counsel at Fnatic. For those of you who haven't heard of Fnatic, or indeed of E Sports, we'll be coming on to that in a minute. Fnatic is one of the world's most successful E Sports teams. We have teams playing games that you probably would have heard of like FIFA, but we also have people playing games that you may not have heard of, but there are absolutely massive with young people, particularly games like League of Legends and Counter Strike. We have teams operating out of our headquarters in London out of Berlin, Malaysia, Tokyo and various other cities around the world.

### **Catherine Sykes**

Gosh, that's huge, isn't it? So just tell me and the listeners who might not know, what is E sports and what is the attraction with it?

### **Andrew Cooke**

So E Sports is a term that's used confusingly in most newspapers, I would say. So some of your listeners may have seen references to E Sports being included in the Olympics this year, for example. We draw a distinction between E sports and virtual sports. So if you're on a bicycle, as in a usual bicycle, but you're nowhere near a road or a track, you're doing it in the comfort of your home, so to speak, on a device that allows you to compete with people online. A popular platform for that is something like the ZWIFT, for example. That's virtual sports.

So what you're doing there is, you're participating in a physical activity that mimics your sort of outgoing outdoors experience, but you're doing it in your room and you're competing with people not out on the road, but instead through an Internet connection. Those things have been included in the Olympics, and we're all very supportive of that happening.

If you're an amazingly talented rower. But you don't live anywhere near a river, or indeed the ocean. Then that's a great way for you to compete in something that you love, so everyone has to support that.

E Sports is the elite tier of video gaming. So these are people who are paid to play games, as in to turn up, compete with other people playing games sometimes in a

sort of an offline event. That's when the guys are appearing on stage. It does tend to be guys.

You do see some huge crowds in the 10s of thousands coming out to watch guys play offline.

It's also people playing games on platforms like Twitch, a broadcast platform that enables live engagement with creators as they create content. So some of the people that we work with are doing that. They're broadcasting their video game play and also entertaining an audience and that's why we engage with them: To speak to their audience, have their audience connect with us in a way, and so on.

E sports as a whole has seen enormous growth and investment in the last sort of four years. Sometimes that growth and investment hasn't always been tracked by increases in maturity and risk management capability. So I joined Fnatic a couple of years ago with that in mind - to recognise that as a business that had taken substantial investment, as a business that was backed by pretty serious investors or venture capital family offices and so on, there was an expectation that value will be protected in the long term - that somebody needs to be keeping an eye on that. And that's really my job as general counsel. I'm looking at risk in the long term and I'm trying to keep an eye on value in everything that it is that we do for our stakeholders that's the people we engage with, that's the pros, our customers, our shareholders, that's our employees etc etc.

### **Catherine Sykes**

Gosh, it really is a big area, isn't it? And like you say it is a rapidly growing area. Who are your main sort of target audience? What age group of people is it that tend to sort of get involved with the gaming?

### **Andrew Cooke**

One of the things that sometimes surprises people about E Sports is actually the range of people that enjoy Esports is much broader than people think. That includes gender as well as age. I understand the average age of a E Sports fan is 35, right? So that might be older than some of your listeners might expect.

Although the gender split, depending on how you construe gaming, still weighs towards men. Actually that's changing. Very, very typically, mobile games democratise the gender split somewhat. Half the world has a phone, and half of people who have a phone use it to play games. Casual games like Candy Crush. There's not necessarily competitive scene, they are heavily played by women. So if you look at games overall, the gender split is actually quite close to being 50/50, but if you look at the kind of games that are commonly played at the elite tier of gaming, it skews more towards men.

That's a factor I think also in the risk of the environment. But again, I'm sure many of your listeners will be aware of some of the current digital risks of participating in things via the Internet. Internet toxicity, social media risks, those kind of things. We are very much in and of that environment as a digital outfit, I suppose. And so some of those

risks impact how we look at safeguarding and how we look at risk more generally as well.

**Catherine Sykes**

Following on from what you're saying, you have identified some of the risks and earlier this year you carried out a research survey into some of the safeguarding risks. What prompted this research and what were you trying to find out?

**Andrew Cooke**

I did a sort of desktop enterprise risk management process before I joined just to look at how I felt as a sort of risk practitioner, for want of a better term. How I felt Fnatic should be looking at risk. Fnatic will consider itself to be a tech business even though it's a sports team as well. And one of the things with tech businesses is they are addicted to growth. Your listeners may have heard of terms like "Unicorn" that are applied to tech businesses that have achieved a billion valuation very quickly.

You're seeing businesses go from establishment to enormous valuations very quick, and that is driven by a mindset of "move fast and break things", as the Facebook saying goes. This is people who are extremely individualistically-minded entrepreneurs. They are allergic to rules and what happens or what they've taken away from the growth of the early big tech companies is you have to move as fast as you possibly can to grow and scale and improve your product.

And sometimes risk does not form part of the conversation unless it's absolutely actively managed, it's going to have a fatal impact on your business.

**Catherine Sykes**

Yeah, I suppose it's a very innovative sector, isn't it? So when it comes to safeguarding, it's sort of, I guess that sort of following behind almost isn't it, and it's making sure that your risk register recognises some of the risks involved, and then you put steps in to sort of mitigate against some of those.

**Andrew Cooke**

It is that Cath, but I suppose it's also the fact the risk isn't part of the conversation in many of those growing companies, right? Although for me a safeguarding breach is an existential threat to a business that has, you know, children amongst its consumers. The people in the business who again trend towards the young, and maybe they don't have kids themselves, so they don't really consider that dynamic, right?

Or they just have no foothold in a world of risk management. Mainly because no one ever talks about it.

Even though for me that was a kind of an obvious risk to tackle, we had to start off with the business just starting about talking about risk as a whole and also having people understand as opposed, two things: Number one, that status can be attributed to risk that allows you to deal with the biggest things first. That's the first thing and the second thing is that it does actually pay back to take steps to stop things from

happening rather than treat risk or something that you deal with only when it crystallises.

I think you've seen that in other traditional sports obviously, particularly football where nobody felt responsible for managing that risk or they didn't feel capable to manage the risk because people didn't talk about how to manage it, and so they just assume that someone else is going to take care of it, or it wouldn't happen to them. Those kind of in the first instance, heroic risk management mindset, which is, you know when the risk crystallises, a hero will come and take care of it. So then we don't have to worry about it again, or just sweep it under the carpet. Those kinds of thing are prevalent in sport, I think it's fair to say they're also prevalent in E Sports.

So as we took ourselves out the risk curve, we were able to gradually introduce this issue. And as we introduce the issue and started to talk about it with people in our talent teams who look after those creators who are streaming or people in our pro gaming teams who look after the players, they were actually extremely receptive to the idea that we would take steps to protect the rights of children and adults at risk, start to push out resources that would support others in the same industry that might be looking to get themselves at the curve.

That support was ultimately what led to the report that we issued out. It was it wasn't just us recognising the risk, it was the business coming around to the idea that this is something that we could positively manage and positively influence on behalf of the industry. So those two things coming together but also overall increased maturity as to risk as a subject really facilitated us tackling what he's ultimately something that people very often don't want to talk about.

### **Catherine Sykes**

And I think that's a really important point, and that's one of the things that the Ann Craft Trust is looking at within its Safer Culture Campaign, is about listening, learning, and leading, and sometimes having that conversation about risk and trying to identify and also bring different stakeholders into the conversation can take it down different paths as well and can bring people on board and sort of, you know, go on the journey together, really. And I think with the survey that's giving you a bit of evidence as well so you can sort of take it forward.

From your survey, 92% of the respondents agree that safeguarding is an issue in E Sports and we have talked about and some of the risks and I guess E Sports is quite unique in terms of the risks it has. What are the different sort of challenges that you've identified with E Sports as opposed to some of the more traditional sports? Because you're not physically playing on a pitch for example.

### **Andrew Cooke**

In relation to something like running a finance team, you might separate duties to ensure that the person who is paying for things isn't also the person is receiving money or whatever. You know the this separation of duties kind of classic step in finance teams. That's a structural response, but ultimately if you have if you don't have

the behavioural approach to risk management that also goes alongside it, I think that's where things get complicated I think, and the reason why I raised that, it's because I think there are new risks in a new and nascent industry like E Sports.

The fact that we are principally conducting ourselves in a digital environment, and so a lot of the scouting, player engagement and so on activities take place in environments where there's a regulatory tension. The regulatory tension is between the rights of individuals to privacy, which is very strongly-baked into a lot of social media.

As much as we might sort of talk about Facebook and these platforms that have been mining that data, actually, particularly in some countries like Germany, it's very, very difficult to get access to a private conversation if it's happening online. So there's that tension versus of course our desire to ensure that what's happening in that conversation falls in the bounds of good practice so far as safeguarding is concerned. So one of the things that we have in E sports, which is also true in other sports, but the dynamic again is slightly different, is we have very, very young people who are exceptionally good at games and therefore their market value as players is very high, so I'm talking about people who are, you know, 14 to 18 years old. Effectively young adults.

Just to give you an example of that a few years ago there was the Fortnite World Cup that took place in New York, which was a qualifier event. And the best Fortnite players in the world came together and competed for the first sort of trophy. And the winner of that event, and \$3 million, was 15. There's also the best UK player, who now plays for another organisation that runs teams in the same competitions that we run in, I think was 14 at the time. So very young people earning very, very large amounts of money. Very, very attractive to sponsors. Being approached again principally through social media and we need to know what's happening in those conversations and this is of course where the behavioural risk piece comes in, because we can only put one person in that conversation because it's a social media conversation. How that person acts in there needs to be quite heavily managed and we need to think about the type of person that we're going to put into that space.

Because if you are as anti-authoritarian as people in E Sports very often are, and that's for lots of reasons. I mean the parallel they always draw is with skateboarding, right? People who skateboard don't wear helmets because the whole reason you want to skateboard is because you don't want to do one of those traditional sports. You position yourself outside of the mainstream, and that probably puts you in terms of compliance with rules or desire to comply with rules. Probably also towards the kind of anti-rules end of things. And if you started an E Sports team 10 years ago, everyone probably would have told you that you were doing something daft. Now they were all wrong and you were right and so you get a kind of a hint of the kind of things that we see someone like Elon Musk doing right? Which is this almost outsider behaviour as a brand.

And that's very prevalent within E sports in my experience. So again, if you take those kind of people and you go right, OK, we need we're going to throw some boundaries around what we can do with young people in digital environments, we're going to have to conduct background checks on you to qualify you to speak with those people were going to have to pull the conversation immediately off social media as soon as we can to get the parents involved. If the player doesn't want the parents involved, you can't talk to the player. Very simple things like that.

So there's a digital piece which is, I think complicated and multi-jurisdictional. And again where we've seen issues come out of digital engagement that caused safeguarding breach and I'm talking across the E Sports injuries a whole, then you rub up against the limitations of national safeguarding infrastructure to deal with those kind of things.

So if I have a scout in Germany, that's talking to a player based in Korea on a server that's based in LA, and my organisation is headquartered in London, there are all kinds of jurisdictional challenges there that wouldn't be present if this was "A simple safeguarding incident" with inappropriate behaviour in a school or sports team environment. There is a very easy architecture to be applied. Obviously the processes is by no means easy for anybody involved with it, but there's at least a pattern of behaviour that everyone knows how it ought to work, should that button be pushed for a kind of officialdom coming in. Much, much, much more complicated in a digital environment.

### **Catherine Sykes**

Absolutely, it sounds really complex and it's about, you know, trying to devise those structures, isn't it to make sure that people are safeguarded and protected in the future and where to go to report, bearing in mind the different rules, regulations and cultures as well, which plays a huge part when we're looking at safeguarding. I guess some of the risks also can apply to adults as well who take part in the E Sports. One of the risks that we spoke about last time we had a conversation was about the financial vulnerabilities as well. Tell me a bit more about this.

### **Andrew Cooke**

They are again very much like young footballers. You can be in a position where you're suddenly earning a lot more money and doing a very different job effectively to a lot of your normal friends, right? By which I don't mean to say that anybody involved in sport is abnormal, but I'm thinking more of the kind of nine to five kind of office or factory or whatever jobs that people find themselves doing. A life in professional sport or E Sports is very different to that. So you find yourself being carved off from what everybody else does quite quickly, with a lot of money in your pockets and also a lot of pressure on your head, particularly for pros at the Super Elite tier. So these would be people who were earning comfortably 6 and sometimes 7 figures from playing games. Those people face an unbelievable degree of pressure.

To ensure that that pressure doesn't manifest itself in ways which are harmful to those young people, we tried to look not just that, let's say, finance management. That's an

area which we're evolving in, but also things like health, nutrition, and wellbeing. We track sleep, we make sure people are eating well. We have partnerships with organisations like New York Tech to look at clothing and other sort of aids to help people perform better. But also look after their bodies better.

I consider that to be part of our safeguarding duty in the sense if we accept that we are responsible for people and that they avoid coming to harm, I don't think that necessarily just means the extreme end of harm, I think it means in trying to embed positive behaviours even amongst people who again among people who are nominally adults who have found themselves cocooned by the life choices and their successes in in a way which may lead them down routes which are not positive for their long term wellbeing. And of course one of the key tensions there is: How long people are gaming for, and how long they're sedentary, and those kind of things. So we have to be very aware of that and I have to say I credit my colleagues in our pro gaming team and particularly our high performance unit within our gaming team who are really on top of this kind of stuff.

### **Catherine Sykes**

Yeah, and that's really important, isn't it? Because you could, you know, spend a lot of your time in the virtual world forgetting there is a real world as well and it's all about that mental health and wellbeing and making sure that they do take regular breaks. They are eating healthily and sort of exercising and everything else that goes with it as well. So it is quite a holistic approach.

### **Andrew Cooke**

We did a great bit of content with our friends, BMW and a couple of our FIFA stars about wellbeing challenges – we have the Roger Federer of FIFA, and we did a series recently on how he has found it helpful to step away from the game every now and again. And so we did a content series with him and another player where they went off and did fun activities together and reconnected with sort of the outside world and so on. And as much as that sounds like something which may not have an impact, I guess what listeners should really understand is that even if you personally are not a gamer or indeed if you may have very strong negative views about gaming which some people do, young gamers are influential and in a position to influence young people in a way which is absolutely transformative. You know, again, even the kind of popular entertainment stars who might pop into your mind and thinking about you know, your Ant and Decs, these gamers, these streamers, are reaching bigger audiences than even those people who you might consider to be quite famous.

So if they're able to push out positive messages to the kind of people that need to be influenced in that regard or could benefit from being influenced in that regard, then it has to be a good thing. And if we do that through content, even if it sounds quite high level, I think that's a positive way to try and embed positive behaviours amongst that audience.

### **Catherine Sykes**

You spoke previously about influencers as well, and some of the pressures that they could be under. And I think it's really important to be mindful of that, and looking for ways to support them as well. Because it's great when it's going well, but there only has to be a few comments to make it go completely the other way with it really. So looking forward then. What are your priorities over the next 12 months or so?

### **Andrew Cooke**

I'm proud to say Stuart Brown has recently joined us. Your listeners won't be familiar with Stuart, but he was lead operations manager for the Men's English National Football team for the last five years, so he has been effectively the COO to Gareth Southgate, and before that he was at the FA for a long period of time. He has huge amounts of experience in safeguarding particularly for young men – adults at risk, less so for children. Stuart will be sort of taking forward a lot of our safeguarding stuff and ensuring that we embed the culture that is set out in our policy – what we call the five Rs.

So Stuart's coming on board and he will be leading that forward and having somebody who's so experienced in safeguarding is a massive thing for us because we've all been learning, but someone who's been there and done it – particularly from football, where there's been so many learnings – I think is very powerful.

And we're also going to be looking specifically at adults at risk and evolving our policy in that space. So this will be seeking to understand better how to cater for people with potentially clinical needs who are engaging with our organisation so people who are, let's say, clinically vulnerable in some way.

That's an area I think of our sort of user base and our customer base that should have a higher degree of attention, and I think once we get safeguarding practices embedded, I think we'll be in a better position to be able to tackle those kind of things. Once we're slightly up the first face of the mountain. I think will also be looking at Prevent-type additions to our policies, so anti radicalisation stuff. I think that's an area where we don't see an immediate risk right now. But that's not to say that we don't want to be prepared for it particularly.

### **Catherine Sykes**

Now that sounds really encouraging and lots to do, but hopefully lots of learning to come from it as well, which can be shared with others and you know. And it does take an organisation to sort of lead the way and show that it can be done and you know, and there's always barriers and hurdles, but actually there are ways of overcoming those. It's just trying to be quite creative, open to challenge, change, and really take the lead and sort of trying new techniques and ways of dealing with things and recognising it.

So I think that's it for today. Unless you've got anything else that you would like to share at all.

### **Andrew Cooke**



No, thanks very much Cath having me and also thanks to the Ann Craft Trust for their support in terms of discussing adults at risk, in particular. I find those sort of conversations with practitioners that you talked about and sharing know how in these kind of areas to be really valuable. And again I would encourage anybody who's out there who's interested in safeguarding E Sports, check out our policies online. And you know, my DMs are open, I'm on LinkedIn and if anybody wants to contact me to offer a review I'm more than happy to engage in it. I think that practice of sharing know how and insights is really critically important.