

## *And Now...Not a Word from Our Sponsors*

### A Report Card Grading Corporate Sponsors of the 2008 Beijing Olympics on Their Response to the Genocide in Darfur

#### EXECUTIVE SUMMARY

Why are the major corporations sponsoring the Olympics – some of the most recognizable brands in the world – refusing to speak out against the world’s most wrenching humanitarian crisis?

This is the question at the core of this report card, which “grades” 19 sponsors of the 2008 Olympic Games regarding their actions – or inaction – in the face of the first genocide of the millennium.

**What do the Olympics have to do with Darfur?** The 2008 Olympics in Beijing promise to be both China’s “debut” on the world stage and a marketing bonanza for corporate sponsors of the Games, all of whom are seeking to capitalize on China’s booming economy. The government of China, however, has for the past four years been the single most important supporter, economically and diplomatically, of the regime in Sudan, which is engaged in a genocidal campaign against its own citizens in the region of Darfur. Khartoum sells 70 percent of its oil to China, whose state-owned oil companies own production facilities throughout Sudan. China sells Khartoum weapons used against civilians in Darfur.<sup>1</sup> At the UN Security Council, China has exercised its power as a permanent, veto-wielding member to advocate on behalf of Khartoum. Although China has reaped public-relations rewards for its recent, modest – and, to date, ineffectual – steps to enhance peacekeeping in Darfur, there is a high likelihood that during the 2008 Games there will be ongoing violence in Darfur – violence Beijing is in an unrivaled position to address.

**What is this campaign?** Dream for Darfur runs the Olympic Dream for Darfur campaign. We are dedicated to highlighting the inconsistency of China’s dual roles: basking in glory as Olympic host while providing material, financial, and diplomatic support to a genocidal regime. Dream for Darfur has undertaken a campaign to encourage all involved in the 2008 Olympics to pressure the government of China to use its unique leverage with Khartoum. The multinational companies that underwrite and help stage the Olympic Games have vast resources, and are in a position to speak up about the tarnishing of the Olympics by China’s ongoing support of Khartoum’s genocidal campaign.

**Why focus on these 19 Companies?** The companies that support the Olympics do so in four tiers: Worldwide Olympic Partners or (TOP Partners), Beijing 2008 Partners, Sponsors, and Suppliers. For ease of reading, throughout this report we refer to all of the corporate supporters of the 2008 Olympic Games as “sponsors.” The 19 companies in this report include every one of the 12 top-tier Olympic corporate supporters, the TOP Sponsors, as well as other selected sponsors and suppliers with name recognition in the US. We omitted all Chinese-owned companies except TOP Partner Lenovo Group. For a list of the 19 companies, see Table 1, on the next page. For a list of all 64 Olympic partners, sponsors and suppliers, see Appendix A.

**Are businesses responsible for human rights issues?** The case for corporate responsibility for human rights is written into the preamble of the United Nations Universal Declaration of Human Rights, which

states: “Every individual and every organ of society, keeping this Declaration constantly in mind, shall strive by teaching and education to promote respect for these rights and freedoms.” According to Mary Robinson, the former United Nations High Commissioner for Human Rights, that means “business corporations included.”<sup>2</sup>

**What does it mean to be an Olympic sponsor?** We believe that the privileges of Olympic sponsorship come with responsibilities. By becoming sponsors, companies are able to associate themselves with all the positive values represented by the Games – values such as peace and international cooperation. Yet it appears that sponsors do not believe those ideals extend to addressing genocide, considering their silence in the face of the ongoing crisis in Darfur. If sponsors are going to receive the benefits of association with Olympic values – in reputation, marketing, and access to Chinese markets – they are also obligated to uphold and advance those Olympic values.

## HOW DID SPONSORS PERFORM?

Based on a point system outlined in the Methodology Section (see page 13), we gave each sponsor a letter grade. We also provide in this report a written summary that briefly describes: each company’s role in the Games; their level of sponsorship; their Corporate Social Responsibility profile (using selected industry standards); and their response to the Dream for Darfur campaign. Copies of their written correspondence are also included in Section V.

## REPORT CARD GRADES

**Most companies failed on the Darfur Olympic Sponsor Report Card.** We gave 13 Fs, three Ds, two Cs, and one C+.

Of the 19 Olympic sponsors included in this report, only McDonald’s and Adidas Group received Cs; General Electric received a C+. See Table 1. Our Major Findings follow.

## MAJOR FINDINGS

- Most Olympic sponsors are, in our view, engaged in a form of “silent complicity” with the Darfur genocide because they are not raising this issue with the Olympic host.** In our view, sponsors are secondarily complicit in the Darfur genocide, insofar as they are supporting China’s efforts to position itself in glowing terms on the world stage -- yet are silent in the face of China’s support of the Sudanese regime,

Table 1.

## Final Grades

Olympic Corporate Sponsor	Grade
Adidas	C
Anheuser-Busch	F
Atos Origin	F
BHP Billiton	F
Coca-Cola	D
Eastman Kodak	F
General Electric	C+
Johnson & Johnson	D
Lenovo Group Limited	F
Manulife	F
McDonald's	C
Microsoft	F
Panasonic	F
Samsung	F
Staples	F
Swatch	F
UPS	D
Visa	F
Volkswagen	F

which is pursuing a campaign of mass atrocities in Darfur. We make use of the concept of “silent complicity,” as cited by the UN Global Compact. See Appendix F.

2. **There is a contradiction between the values that many sponsors say they support and their actual human rights behavior in regard to the Darfur-Olympics connection.** Many sponsors are considered among the elite of socially responsible global corporations; they have won awards and accolades for leadership in environmental issues, or “corporate social responsibility” (CSR).<sup>3</sup> Several have signed the UN Global Compact, a non-binding statement of intention, and endorsed the Universal Declaration of Human Rights. All 19 companies – including Chinese-owned Lenovo Group – have formal mission statements pertaining to corporate citizenship, values, and “stakeholder relations.” Even these companies, which actively promote themselves as “corporate citizens” with “corporate social responsibility” programs, have been silent, among them: Adidas Group, The Coca-Cola Company, Johnson & Johnson, Eastman Kodak, McDonald’s, and Visa International.
3. **Sponsors are fearful of upsetting China.** Sponsors’ fear of a negative reaction from China – combined with their hunger for participation in the Chinese economy – contributes to their silence on Darfur
4. **The International Olympic Committee (IOC) is “missing in action” on this issue.** The IOC has failed to deal with the reputational risk posed by the Olympics-Darfur issue to both the Games and the sponsoring companies. The IOC has said it will not interfere in political affairs, and has remained silent on the Darfur issue, except to announce a “Giving is Winning” program to hand out sporting apparel and goods in refugee camps.
5. **Sponsors worked together to “manage” activists – but not to stop the genocide in Darfur.** Based on similarities in correspondence, it appears that at least some of the Olympic Partners coordinated in responding to our campaign – if not in convincing China to change its policy regarding Darfur. (See Box: “Misplaced Effort,” page 18)
6. **The IOC and sponsors are making it likely that the legacy of the 2008 Olympics will be tarnished by genocide.** The Olympic movement’s inaction in the face of the genocide – despite the unique position of the IOC and sponsors to influence China in the months that remain before the Games – increases the likelihood that China will not feel pressured to intervene on the Darfur crisis.

## CONCLUSION

The multinational corporations that are the 2008 Beijing Olympic sponsors – among them, companies with the most recognized brands in the world – have failed to address the humanitarian crisis in Darfur, the reputational risk to the Olympics, or the growing public outrage over the association between the Olympics and Darfur, while at the same time supporting China’s efforts to use the Olympics to burnish its image on the world stage. Most Olympic sponsors are, in our view, engaged in a form of silent complicity with the Darfur genocide because they are not raising this issue in any meaningful way with the Olympic host.

## **QUID PRO QUO: COSTS AND BENEFITS OF OLYMPIC PARTNERSHIP**

The historic heart and soul of the Olympics is a time-honored sporting competition – but the backbone of today’s Games, and in particular of the 2008 Beijing Olympics, is business.

“Our goal is to be the leading global package delivery and logistics company to, from and within China,” said David Abney, president, United Parcel Service, one of the 2008 Olympic sponsors. “This sponsorship is another important step in strengthening our brand presence in one of the fastest growing markets in the world.”\*

The price tag for the highest level of Olympic sponsorship, TOP Partners, is reported to be between \$50 million and \$100 million. In return, sponsors gain prestige and connections, visibility to the vast Chinese market, and access to the Olympic brand itself. On November 15, 2007, the *Wall Street Journal* reported that sponsorships value a total of \$1.5 billion. Of that, \$100 million has been spent by individual sponsors seeking participation in China's market.

From the IOC materials:

“TOP companies receive exclusive global marketing rights and opportunities within their designated product category. Sponsors are able to develop marketing programs with various members of the Olympic Movement including the International Olympic Committee (IOC), the National Olympic Committees (NOCs), and the Organizing Committees.”

In addition to exclusive worldwide marketing opportunities, Olympic Partners receive:

- Use of Olympic imagery, as well as appropriate Olympic designations on products
- Hospitality opportunities at the Games
- Direct advertising and promotional opportunities, including preferential access to Olympic broadcast advertising
- On-site concessions, franchise and product sale, and showcase opportunities
- Ambush marketing protection
- Acknowledgement of their support through a broad Olympic sponsorship recognition program.”\*\*

In addition to all that corporations gain in reputation, visibility, and access to a new market, China of course also benefits from sponsors’ investments: companies who support the Olympics intentionally or inadvertently burnish China’s image.

\* "UPS to Sponsor 2008 Olympic Games in Beijing," Business Wire 27 July 2005. 23 Nov. 2007  
<[http://findarticles.com/p/articles/mi\\_m0EIN/is\\_2005\\_July\\_27/ai\\_n14821422](http://findarticles.com/p/articles/mi_m0EIN/is_2005_July_27/ai_n14821422)>

\*\* IOC website, 23 Nov. 2007 <[http://www.olympic.org/uk/organisation/facts/programme/sponsors\\_uk.asp](http://www.olympic.org/uk/organisation/facts/programme/sponsors_uk.asp)>

## ENDNOTES

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<sup>1</sup> “Sudan: Arming the perpetrators of grave abuses in Darfur.” Amnesty International, November 16, 2004. November 23, 2007 <<http://web.amnesty.org/library/index/engaf541392004>>.

<sup>2</sup> Robinson, Mary. “The Business Case for Human Rights.” The Office of the United Nations High Commissioner for Refugees. November 23, 2007 <<http://www.unhcr.ch/hurricane/hurricane.nsf/0/E47D352DEDC39697802566DE0043B28E?opendocument>>.

<sup>3</sup> Human rights are indeed relevant to business. The Office of the High Commissioner for Human Rights, UN Global Compact, and Business Leaders Initiative on Human Rights jointly issued “A Guide for Integrating Human Rights into Business Management,” which cites broadly accepted international agreements that inform socially responsible companies. These include the International Bill of Human Rights, which comprises the Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights.