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Olympic Games and Human Rights: The Responsibility of Business

On the occasion of the Winter Games in China, business ethicist Markus Scholz presents a guide for companies on how to deal with human rights violations.

Vienna, February 4, 2022 – The topic of business and human rights will be even more in the focus of public attention in 2022 due to major sporting events. China, for example, is currently hosting the Winter Olympics, although the Uyghur minority is systematically oppressed there. The World Cup will take place in Qatar, where workers are exploited in the construction of the sports facilities. The question arises:

Should companies be committed to human rights?

Internationally active companies are regularly required to respond to human rights violations in regional markets. For example, Prof. Dr. Markus Scholz, business ethicist at FHWien der WKW, was quoted on the U.S. news platform POLITICO in early 2022 regarding the Winter Olympics in Beijing: "Coca-Cola may be convincing the Chinese population as a sponsor. European and American television audiences, however, will wonder why Coca-Cola is committed to Black Lives Matter, but at the same time participates in this propaganda event."

The head of the Institute for Business Ethics and Sustainable Strategy (IBES) at FHWien der WKW answers the question "Whether and, if so, when should companies engage in human rights?" in an article in the prestigious journal "MIT Sloan Management Review" together with N. Craig Smith and Jane Williams (both INSEAD).

Political responsibility – a guide to action for companies

Although the protection of human rights is primarily a task for governments, companies also have a responsibility as so-called corporate citizens. Companies have numerous options to support the observance of human rights. "If companies do not use these options, they not only jeopardize their reputation, but may make themselves complicit in human rights abuses," Markus Scholz explains. "Inactive companies run the risk of being exposed as morally complicit and facing legal consequences."

The article in the "MIT Sloan Management Review" presents decision trees and strategies for coordinated engagement to defend human rights. For example, an analysis matrix captures a company's regional influence relative to the need for action in an unethical situation. The result helps in deciding how companies should counter human rights violations. This results in three decision-making steps:

- 1. Decision to act ("get out," "address," or "remain silent")
- 2. Examining the individual or collective options for action
- 3. Taking concrete action (directly as assistance such as financial support or indirectly, e.g., by promoting local initiatives, advocating higher standards)

About Markus Scholz

Prof. Dr. Markus Scholz, Head of the Institute for Business Ethics and Sustainable Strategy (IBES) at FHWien der WKW, teaches Business Ethics, Political CSR and Strategic Sustainability Management at INSEAD and at the University of St. Gallen. In addition, the business ethicist will take over

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the leadership of the working group "Business Ethics" in the prominent Schmalenbach Society in spring 2022. Scholz's research results are regularly published in leading global scientific journals and are picked up by national and international media (including Arte, Der Spiegel, Profil, Die Presse, Der Standard, ORF, Wirtschaftswoche). On February 23, 2022, Markus Scholz will give a lecture on the political responsibility of pharmaceutical companies at the "Global Health Ethics" conference, after which he will discuss the topic on the podium with the German Federal Minister of Health, Dr. Karl Lauterbach, among others.

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Although the protection of human rights is primarily a task of governments, companies also bear responsibility for it, explains business ethicist Markus Scholz of FHWien der WKW on the occasion of the Winter Olympics in China.

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