

Are you an investor? Do you own stocks and bonds? Mutual funds? RRSPs? Maybe you participate in a pension fund through your family, university, employee association, or municipal council?

We can all use our investing power to pressure corporations to promote and protect human rights, both within their workplaces and the countries in which they operate.

This booklet is designed to introduce you to SOCIALLY RESPONSIBLE INVESTING - what it means, why it's important, and what you can do.

Table of Contents

What is SRI?	2
What do investing and pensions have to do with human rights?	2
What do corporations have to do with human rights?	3
Amnesty's mandate and SRI	5
What everyone should know about investments	8
Case Studies	15
Investor power	24
Sample Letters	26
Glossary	30
For more information	32
How to reach us	35

promote & protect

What is Socially Responsible Investing?

Socially Responsible Investing (SRI) is when social, environmental or ethical considerations are taken into account in the selection of an investment. SRI integrates personal values and societal concerns (such as social, ethical and environmental values, many of which give rise to binding legal obligations) with investment decisions. SRI considers both the investor's financial needs and an investment's impact on society.

Social investors include individuals and institutions such as corporations, universities, hospitals, unions, foundations, insurance companies, pension funds, nonprofit organizations, churches and synagogues.

What do investing and pension funds have to do with human rights?

In today's globalized world, pension fund and mutual fund investing affect developed and developing countries in several ways. They may be invested directly in 'emerging markets' by buying bonds and shares locally in places such as Singapore or Caracas. Alternatively, they may hold shares in major Canadian, American, or European firms that are active in various countries, either in marketing their own products or in owning mines or factories and/or sourcing their goods (e.g. clothing, shoes, toys or electronics).

In all of these situations, such investing can impact both positively and negatively on the human rights of people and the stability and prosperity of communities. If a company, whether local or foreign, is socially responsible, investment can contribute to the promotion of human rights, the creation of good jobs, and poverty reduction.

human rights

If a company is not socially responsible, it can become implicated in abuses of labour and other human rights violations or fan the flames of corruption or civil conflict and erode the fabric of a society.

What do corporations have to do with human rights?

The Good That Businesses Can Do

Business operations can and do, directly and indirectly, promote and improve the basic rights of millions of people worldwide. For example, businesses that follow ethical practices will ensure their employees are paid decent wages, thus contributing to the well-being of employees and their families.

Businesses can make a positive impact in a community by:

- creating more jobs
- acting as a role model for other businesses and enterprises in such areas as the fair treatment of employees;

- supporting community-based projects
- re-investing in the communities in which they operate

The influence and reach of large multinational corporations is more immense than ever. Many companies oversee budgets that far exceed those of many countries. They operate in corners of the globe and have dealings with government officials at national, regional, and local levels.

Corporations can play a powerful role in encouraging human rights reform.

The Harm that Businesses Can Do

Business operations can and do, directly and indirectly, violate the basic rights of millions of people worldwide. Communities may be forcibly and violently displaced to make way for oil exploration (as has been alleged with Exxon-Mobil in Chad, for example). Rivers may be poisoned by the run-off

promote & protect

from mining operations (as has been alleged with Placer Dome in the Philippines). Trade unionists may be threatened, beaten or killed when they seek to organize workers to assert their basic labour rights (there are many documented instances of this in Colombia). Employees may be injured or become sick due to unsafe working conditions (as has been alleged with Unilever in Bhopal, India). Tax revenues and royalties from resource development may help prop up undemocratic governments and be used to buy weapons that lead to human rights violations (as has been alleged with Talisman Energy in Sudan).

Should Businesses Intervene in Human Rights Issues?

Transnational companies often assert that it would be inappropriately “political” to intervene in stopping or preventing human rights violations in a country that the company is operating in. Quite the contrary: failing to intervene is inappropriately political. The Universal

Declaration of Human Rights clearly obliges all “organs of society” (including corporations) to work to promote human rights.

Can small investors make a difference in human rights?

Shareholders provide the capital on which companies depend. Small investors who belong to pension plans or who purchase mutual funds for their RRSPs are therefore the indirect owners of these companies and, as such, have every right to see that their investments are not used to sustain violations of human rights. By pressuring your mutual fund managers or your pension plan trustee to oblige companies to respect human rights, you can make a difference.

Shareholder activism, such as the introduction of resolutions at companies’ Annual General Meetings, can be a powerful tool for protecting human rights. By law, shareholder resolutions are binding only if they gain 50% plus one of the votes. In practice, however, if

human rights

even a small minority of shareholders votes in favour of a resolution, companies will often change their behaviour in order to avoid public controversy.

Amnesty International's Mandate and SRI

What are Amnesty International's goals in Business and Human Rights?

Traditionally, Amnesty International has focused its attention on governments that abuse human rights. Now, there is increasing attention both to business complicity in human rights abuses and to the opportunities for businesses to promote and protect human rights in the countries in which they work. Amnesty will campaign actively to minimize the harm and maximize the good that businesses can do.

What is Amnesty International Canada doing in the area of Business and Human Rights?

Our Business and Human Rights program is focused on four key areas:

1. Conflict Zones

We will target Canadian transnational corporations that operate in zones where there is conflict. This involves taking such actions as engaging businesses (like Enbridge in Colombia) in a dialogue on the human rights violations that are occurring in those countries and pointing out their responsibilities in promoting and upholding human rights standards in conflict zones.

2. The Global Economy

We will analyze the human rights impact of existing and proposed international trade agreements such as the Free Trade Area of the Americas (FTAA) and advocate that international trade bodies such as the World Trade Organization (WTO) safeguard the human rights of citizens.

3. Socially Responsible Investing (see below)

4. Outreach and Education

Engaging in dialogue with the business sector is key. We will communicate with businesses about human rights,

encourage businesses to voluntarily sign Corporate Social Responsibility Codes of Conduct to govern their actions, and urge them to independently verify and publicly report on their compliance with such codes.

Why talk about Socially Responsible Investing (SRI)?

An SRI policy would state that ethical concerns such as human rights, environmental and labour issues and other social matters must be taken into account in the selection, retention and realization of investments. Shareholders are encouraged to use the rights (such as voting rights) attached to their investing in a responsible fashion, thus wielding their influence to help bring about positive change in the way corporations do business. An SRI strategy can successfully combine investors' financial objectives with a commitment to social concerns such as respect for human rights, social justice, economic development, peace or a healthy environment.

SRI can be used in two broad ways:

1. As a tool for positive engagement

- we can seek to improve a company's ethical, social and/or environmental behaviour as a shareholder by means of dialogue, pressure, support for responsible management, and by voting at corporate AGMs. Amnesty aims to educate shareholders and others to encourage the use of positive engagement on human rights issues.

2. As a demand for ethical screening

- we can encourage the inclusion or exclusion of stocks and shares in investment portfolios on ethical, social and/or environmental grounds. Ethical screening is usually divided into "positive" screening to select companies that have a superior social or environmental performance record and "negative" screening to exclude those that don't. Amnesty is supportive of this approach as it sends a strong message to the private sector that investors are concerned about social issues, including human rights.

Does our work on SRI compromise Amnesty's principles of impartiality?

For Amnesty International, impartiality means that we do not take sides in political conflicts, nor do we support or oppose any government, political persuasion or religious creed. We are concerned solely with the protection of human rights for every individual. In our work on Business and Human Rights, we are neither supporting nor opposing any particular company, corporate sector, economic policy, or trade arrangement. However, we seek to minimize the harm and maximize the good that businesses can do in the protection and promotion of human rights.

What is Amnesty's position on capitalism and globalization?

Amnesty International is neither for nor against free markets or the process of global trade liberalization. Amnesty International's position is that, regardless of the economic system in place, human rights should always be respected.

Does SRI contravene Amnesty's policy on sanctions and boycotts?

Amnesty International takes no stand on the legitimacy of the introduction or maintenance of sanctions against governments or armed political groups in countries where human rights are abused unless 1) such sanctions can be reasonably assumed to contribute to grave human rights abuses (in which case we will argue for dropping or changing the sanctions) or 2) if such sanctions can be reasonably assumed to prevent, reduce or end grave human rights abuses (in which case we might call for introducing or maintaining sanctions).

Our work in SRI is within Amnesty's mandate. We do not advocate that members boycott certain businesses. We are encouraging our members to engage in dialogue with the business sector to promote human rights standards and to encourage business practices that protect human rights. We are not saying to fund managers: "Don't invest in

promote & protect

Company X". We are saying: "These are our concerns about Company X and we expect you to take account of these concerns in making investment decisions. If you do go ahead and invest in or continue to invest in Company X, here are the recommendations we expect you to impress upon Company X."

Amnesty would only take the extraordinary step of launching or endorsing a boycott or divestment campaign against a company if all other reasonable efforts to address our human rights concerns had been tried and had failed.

What everyone should know about investing

What are some of the SRI issues to be concerned about when looking at your investments?

There are many issues that you can screen when selecting socially responsible investments. Here are some of the most common screens used in Canada (as identified by the Social Investment Organization):

International Human Rights: Does the company operate in countries that respect human rights? Is the company taking a pro-active stand against human rights violations occurring in these countries?

Corruption: Does the company have a history of working with regimes that operate in corrupt ways?

Labour Relations: Does the company have a good record with regard to treatment of its employees? Do contractors of the company use sweatshop or child labour? Are force and intimidation used against employees and the people living in the area?

Ecology and Environment: Does the company operate according to sustainable development practices?

Military Weapons: Is the company a military contractor?

Minority Groups: Does the company have a good record in dealing with minority groups?

Women: Does the company have a good record on its treatment of women generally and its female employees in particular?

Other screens raised by investors, depending on personal concerns, include:

- the company's products - is it in the tobacco business? does it make genetically modified foods?
- the company's use of certain kinds of technology in processing - does it use nuclear power? does it use techniques that are harmful to workers' health?
- the company's investment back into the community - how much does it contribute? to which charities? does the company contribute to the growth and well-being of a community by hiring people locally, purchasing from local businesses, and so on?

Would investments, such as a pension fund, earn reduced returns by being socially responsible?

Socially responsible investments can perform as well as conventional investments. In some cases, they have performed better. For example, in Canada, the value of stocks in the Jantzi Social Index¹ increased by 18.9% during the

promote & protect

last five years, while the Toronto Stock Exchange (TSE) 100 grew by 18.1%, and the TSE 300 rose by 17.4%.

Traditional investment analysis considers financial risk in the assessment of returns. SRI is an investment process that also factors in social risk.

Financial risk is not the only risk incurred by companies. Companies which operate in zones of conflict or that use sweatshop labour, for example, run the risk of boycott, legal action, divestment, or attacks on their reputation, personnel or facilities. Each of these social risks represents a potential cost that, in turn, will have a negative impact on the share price.

On the other hand, companies with an unblemished record on human rights will develop a good reputation, find it easier to attract and retain talent, have greater access to capital markets, can limit production costs (including security and relocation expenses), and be better positioned overall in the marketplace -

all resulting in a positive impact on the share price.

Contrary to conventional wisdom, investing according to social, environmental, and human rights screening can lead to significantly higher returns.

¹ The Janzi Social Index, created by Michael Janzi Research Associates, is an index of 60 Canadian companies selected on social responsibility criteria. Launched in 2000, the index does not have a long-term track record. However, using historical data, the index has been backdated in order to produce a 5 year comparison with TSE stocks.

How can you ensure that you are investing in a socially responsible way?

Mutual Funds

If you purchase units in a mutual fund, look for a mutual fund company that has the following policies in place:

- a policy of exercising its voting rights so that it can support resolutions that promote human rights made at shareholder meetings when operating on your behalf
- a policy of dialogue or engagement requiring it to pressure companies to disclose the impact of their activities on human rights in all countries where they do business

Pension Plans

If you belong to a pension plan, you can encourage the pension fund trustees to enact similar policies. Canadian law requires that upon request, members of a pension plan must be provided with

the plan's investment policy. Check out the investment policy pertaining to your pension plan (including the section on the exercise of voting rights of the pension committee) to see whether the policy contains provisions for responsible investing in the area of human rights. Many large pension plans, such as the Teacher's Pension Plan of the Ontario Teachers' Federation, already have such policies in place. If your pension plan does include such a policy, then contact the fund administrators and let them know you would like them to systematically use their voting rights to ensure corporations whose shares are held by the plan are socially responsible. (see sample letter)

Group RRSPs

If you belong to a group RRSP, you can contact your plan manager and ask that socially responsible funds be made available to you. (see sample letter)

Stocks and Bonds

If you are making direct investments by buying stocks or bonds, contact your broker to find out more about the companies in which you are interested in investing. If you are investing in a stock or bond portfolio directly, use your own SRI screen to make your selection.

What can you do if your fund doesn't have an ethical investing policy?

At the present time, legislation does not require pension fund managers to acknowledge that they have a responsibility to pursue social goals. However, as fund managers are concerned with the appreciation and security of the pension assets, they should be aware that social and environmental risks are indeed very real.

If your fund doesn't contain an ethical investment policy, write to your pension committee. Ask them to include an investment policy. Ask them to include

general principles in the guidelines on the exercise of voting rights that define the role of social criteria in the choice of securities and the exercise of voting rights (see sample letter). Let them know that taking into account social and environmental criteria will reduce the long-term risk of investing, and that it is prudent to consider such criteria. Bring this issue to general meetings of your pension committee.

Check other pension funds for examples of policies that illustrate what can be done. Good examples such as the Ontario Teachers Pension Fund and the Ontario Municipal Employees Retirement System can be accessed through the internet. Both of these plans have ethical investment policies that may offer you ideas and leverage.

The preparation of a responsible investment policy is the most significant action that can be taken, since such a policy is permanently binding on trustees and all those who report to them, particularly the investment managers.

What does the Government of Canada think about SRI?

Up until June 2001, the Canada Business Corporations Act allowed companies to refuse to circulate a shareholder petition if it “clearly appears that the proposal is submitted by the shareholder primarily for the purpose of (...) promoting general economic, political, racial, religious, social or similar causes” (paragraph 137(5)(b)). The C.B.C.A. has since been amended to permit resolutions with a social objective. Under the revised Act, any holder of voting shares with a value of \$2,000 in a corporation can move resolutions containing requests for information or requesting a change in the practices or policies of the corporation if those currently in use are deemed to put the shareholders’ investment at risk.

In the United Kingdom, a new regulation now requires pension funds to indicate in their investment policy, “to what extent, if applicable, they take account of social, environmental, or ethical criteria

in the choice, holding and liquidation of their investments.” France, Germany and Australia have also approved similar laws, and Belgium is preparing to do so.

In Canada, pension fund managers do not need to report on decisions regarding their choices of investments. A few years ago, Member of Parliament Stéphan Tremblay introduced a Private Member’s Bill (Bill C-394 Amending the Pension Benefits Standards Act, 1985) which, if passed, would have required that administrators prepare a yearly report to pension fund holders, describing the social, ethical or environmental considerations they have taken into account in their investment choices, holding or liquidation of investment securities under their responsibility, as well as in the exercise of their voting rights derived from these securities.

While the proposed amendment does not force pension committees to make responsible investments, it does encourage them to have a policy on

SRI, and it does make it mandatory for them to disclose whether SRI screens were used. This information would help pension fund holders start a debate with their fellow pension fund holders on SRI issues.

Unfortunately, this opposition member's bill never made its way through the legislative process and has been effectively abandoned.

Are any other disclosure initiatives currently underway?

SHARE (Shareholder Association for Research and Education), a Vancouver-based group, has launched a number of initiatives on disclosure. SHARE is seeking regulatory amendments to increase disclosure in five discrete but related areas, as follows:

1. Pension disclosure of proxy voting and investment criteria
2. Corporate disclosure of policies and information regarding social and environmental risks
3. Securities disclosures of social and environmental risks and liabilities
4. Mutual Fund disclosure of proxy voting policies and social/environmental risks
5. Accounting reporting standards on social and environmental liabilities

Case Studies

These cases illustrate the different types of actions that you can become involved in. Three varying actions are described: action through public pressure, shareholder activism, and direct engagement with corporations.

Public Pressure: The Case of Talisman Energy, Inc.

Talisman Energy, Inc. is a Canadian petroleum company which, along with the state oil companies of China (China National Petroleum Corporation), Malaysia (Petronas) and the Sudan (Sudapet) formed the Greater Nile Petroleum Operating Company (GNPOC) to explore and extract petroleum from the rich oilfields in Sudan. During the 1990s, Talisman Energy, which owned 25% of GNPOC, derived 10% of its income from its Sudanese enterprises.

The Government of Sudan is characterized by a repressive regime which has systematically violated the

most basic human rights of its people. For the past 20 years, Sudan has been in the midst of a civil war that has already caused over two million deaths through fighting and famine. Beginning in 1999, reports from non-government organizations (NGOs), including Amnesty International, began to raise alarming concerns that dividends paid by GNPOC to the Sudanese government were possibly being used to buy arms which were then used to intensify the level of repression in the country.

In 1999, a coalition of Canadian and American church-based institutional investors, led by the Taskforce on the Churches and Corporate Responsibility (TCCR), was formed to ask Talisman Energy to commit itself publicly that it would not contribute to the civil war or to the violation of human rights in Sudan, and also that it provide shareholders and the public with an independent verification report confirming that it was respecting this commitment.

promote & protect

After many fruitless exchanges of letters, the coalition tried to present a resolution at Talisman's 1999 general meeting of shareholders. However, as Canadian law allowed at that time, a corporation can choose to refuse to circulate such resolutions. Talisman ignored the resolution, but did adopt the International Code of Ethics for Canadian Business, which provides explicitly for the respect and protection of human rights in a corporation's "sphere of influence" and for the obligation to ensure that the activities of its contractors, suppliers and representatives comply with this principle.

During the first part of 2000, reports from NGOs, Amnesty International, from UN delegations and from a Canadian government mission to Sudan noted the following specific issues of concern: 1. populations living in the area of the oilfields had been forcibly displaced by government forces; 2. the landing strip serving the oilfields was used by the army in its repressive raids; and 3. Talisman facilities were guarded by

militias and the army who were suspected to have used undue force to protect the area.

Members of our Amnesty Branch joined with other NGOs in publicly raising concerns about the situation. Amnesty members gathered over 3000 signatures on a petition addressed to Talisman Energy and wrote numerous letters to government officials demanding that more be done to ensure company operations did not lead to further human rights violations.

A coalition of institutional investors prepared a new resolution for the general shareholder's meeting of 2000. This resolution asked Talisman Energy to provide, within 180 days, a report verified by independent agents certifying that the corporation was conforming to the International Code of Ethics for Canadian Business and other international human rights standards and describing the measures the corporation was taking to ensure that dividends paid to the Sudanese government would not be used

to finance repression and war. Talisman agreed to circulate this resolution, but filed its own counter-resolution which was much less stringent both in its content and in the timetable.

At the meeting, several shareholders accused Talisman management of not taking into account in its risk assessment the possibility that company facilities might become rebel targets or that the company's securities might be de-listed from stock exchanges or be boycotted because of activities in Sudan.

When it came to the vote, the coalition-sponsored shareholder resolution garnered 27%, a record in the annals of shareholder campaigns in Canada; but it was nevertheless the company's resolution which was adopted.

After this, Talisman's profits continued to increase. But the level of repression and the intensity of the war in Sudan continued to be the daily reality of life in Sudan. Talisman's shares, however, were under public pressure to the extent

that, according to analysts, the price was well below its value "prior to social risks"¹.

That spring, Amnesty activists in Calgary joined other NGOs in staging a protest outside Talisman's annual shareholder's meeting. As a result of corporate research, Amnesty activists in Edmonton discovered that the City of Edmonton held shares in Talisman Energy. The Amnesty members made a special presentation to the Edmonton City Council on the human rights situation in the Sudan, urging the Council to push Talisman Energy to adopt a more positive approach to human rights.

Since the summer of 2001, the company was subjected to a threat of delisting on the New York Stock Exchange. Meanwhile, the coalition of institutional investors hardened its stance and demanded that Talisman leave Sudan altogether.

Throughout this period, Amnesty maintained high-level dialogue with

Talisman Energy, pressing the company to take specific actions regarding human rights violations and adopt concrete human rights reforms. Amnesty provided comprehensive input into social audits of Talisman Energy's Sudan operations and issued public statements and press releases outlining our ongoing concerns. We also met frequently with senior company officials.

In late 2002, Talisman sold its interest in GNPOC to India's Oil and Natural Gas Corporation (ONGC). Amnesty International received this news with mixed feelings. Talisman had clearly decided that there was too much risk in maintaining its operations in the country. But the company leaving the country hasn't resolved the human rights situation in Sudan either. The opportunity to engage with GNPOC through Talisman Energy is lost. Media, political and public interest in Sudan's continuing human rights tragedy will likely diminish. This case is one to be followed as Amnesty will be challenged to continue to engage the Indian oil

company that now has a stake in the Sudan oil fields.

This case illustrates that there may be different approaches used within the responsible investing movement — that of calling for divestment or non-investment as a mode of intervention and that of holding shares in targeted companies to be able to exert direct pressure on these companies. There was a useful complementarity between the two different approaches.

¹ During its four-year tenure in Sudan's prolific oil fields, Talisman made a huge profit. However, analysts question whether the toll on the company - especially in terms of the amount of time that the company's management had to pay on an asset that made up less than 10% of the company's holdings, as well as the level of damage to the firm's reputation - was worth the monetary gains. Brian Prokop, an analyst with Peters & Co. noted: "In absolute costs, it was a win. In relative or more ethereal terms, the jury is out." (Globe and Mail, March 13/2003).

Shareholder Activism: The Case of ExxonMobil

ExxonMobil, which owns 69.6% of Canada's Imperial Oil, operates in a number of countries with serious human rights problems. These human rights violations are often closely linked to the presence of multinationals in the extractive industries.

In Chad, ExxonMobil leads a consortium that will build a 1050 kilometre pipeline from the Doba oil fields in southern Chad through Cameroon's Littoral Forest to the Atlantic coast. Chad's abysmal record on human rights includes the reported killing by Chadian security forces of more than 200 unarmed civilians in the oil-producing region. To date, no investigation of the massacres has taken place. The pipeline may exacerbate decades-old tensions between the government and opposition movements and increase the militarization of the oil field region. In Angola, Colombia, Indonesia, Equatorial Guinea and Nigeria, ExxonMobil's

operations cannot be neutral on human rights. In particular, protection of facilities and operations frequently results in interactions with security forces, armed groups or private security personnel that have poor records on human rights.

Amnesty USA (AIUSA) had tried unsuccessfully to approach ExxonMobil with its concerns. After having developed a number of relationships with U.S. companies, investment firms and pension fund managers, Amnesty USA filed its first corporate shareholder resolution in November 2001. Amnesty USA joined at least ten co-filers on the resolution, including the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO), the New York City Teachers' Retirement System, Trillium Asset Management, Walden Asset Management, individual investors and religious organizations. Amnesty USA encouraged its members to write letters to other pension fund managers whose funds held ExxonMobil voting shares.

promote & protect

The resolution asked ExxonMobil to adopt a “human rights policy which included an explicit commitment to support and uphold the principles and values contained in the Universal Declaration of Human Rights.”

The resolution came up for consideration at ExxonMobil’s Annual Meeting on May 29, 2002. Gary Giscombe, Chief Financial Officer for AIUSA, and Mort Winston, Chair of AIUSA’s Business and Economic Relations Group, were in Dallas, Texas, to address the meeting. Chip Pitts, a former vice president of Nokia (a company that currently has a formal human rights policy), also spoke on behalf of the human rights policy resolution, and there were impassioned testimonials by individuals from Tibet; Aceh, Indonesia; and Tabaco, Colombia - areas where ExxonMobil’s past, current and future complicity in human rights abuses is under scrutiny.

During the meeting, approximately 374 million shares representing over \$15

billion U.S. in shareholder equity were voted in favour of a human rights policy resolution sponsored by Amnesty International. While the vote represented only approximately 6.8% of the over 5.5 billion shares voted, it is far in excess of the 3% minimum required to reintroduce the proposal the following year.

This action strongly encouraged ExxonMobil to improve the way it addresses human rights. The threat of another shareholder resolution at the upcoming 2003 annual shareholder meeting has nudged ExxonMobil to seek a more meaningful dialogue with Amnesty USA and other NGOs to explore how it can better address human rights issues.

Direct Engagement with Corporations: The Case of Enbridge in OCENSA

Colombia is home to the worst civil conflict in the Western Hemisphere. Colombia's worsening internal armed conflict affects virtually every part of the country and has taken the lives of more than 60,000 people since 1985 - currently around 20 people every day. Thousands of civilians live in fear of being kidnapped, killed or "disappeared"; thousands are forced to flee their homes, their lands, their livelihood, as warring factions refuse to guarantee their safety and their right not to be drawn into the conflict. Around 80% of victims are civilians, killed outside combat. Killings, threats and intimidation of members of human rights organizations, trade unionists and other vulnerable sectors of civil society form part of a campaign by sectors of the Colombian security forces and their paramilitary allies to weaken the work of human rights defenders.

Enbridge, a Canadian company, owns 24.7% of the Oleoducto Central SA

(OCENSA), Colombia's critically important oil pipeline. A number of other Canadian oil and gas companies operate in Colombia, including Nexen and Talisman Energy. There is no direct evidence linking these companies to human rights atrocities in Colombia. However, many of the areas of Colombia in which these companies operate are places where paramilitary and guerrilla violence against civilians is the most intense. Amnesty has raised concerns about the close association between the paramilitary and military. We have also called on the Colombian government to break these links.

Ecopetrol, Colombia's national oil company and the largest investor in the OCENSA partnership, has had an antagonistic relationship with the national oil workers' union and has refused to take real steps to improve the security of trade unionists who have often been the target of human rights abuses.

promote & protect

Amnesty has urged Canadian companies operating in Colombia to play an active and positive role in the protection and promotion of human rights in the areas where they operate. We have pointed out steps they need to take to ensure they do not contribute directly or indirectly to human rights abuses. For instance, we have made recommendations regarding policies for security personnel for the companies. Companies also have a role to play in speaking out against human rights violations as members of the communities in which they operate.

Amnesty has made a number of presentations to government officials in Canada and Colombia over the years to bring about improvements in the human rights situation in Colombia. For example, in Canada, Amnesty has appeared in front of the House of Commons Standing Committee on Foreign Affairs and International Trade and has made several representations to the Minister of Foreign Affairs and other government officials on this issue.

Amnesty International Canada has also made a number of direct approaches to the management of Enbridge, Nexen, Talisman Energy and other Canadian oil companies operating in Colombia over the last few years. Relationships were developed with institutional investors such as Real Assets and Meritas Mutual Funds with a view to bringing economic and political pressure to bear on Canadian companies operating in Colombia.

In 2001, Real Assets and Meritas, who held shares in Enbridge, filed a shareholder resolution calling on the company to adopt measures to avoid complicity in human rights abuses after an initial direct dialogue failed to bring about any concrete changes.

The filing of the resolution pressured the company to re-establish a dialogue on human rights with Real Assets and Meritas. After receiving assurances that the new dialogue would be serious and that precise issues would be addressed within specific timeframes, both

human rights

investment firms withdrew their resolutions in February 2002 before the annual general meeting.

This case shows that senior management listened to the power of investors. The company is now engaged in a process to discuss implementation of human rights principles on an ongoing basis. This appears to be a potential “win-win” situation. Enbridge wins because capital markets have greater confidence in the company’s ability to manage risks associated with their operations in Colombia, and the people of Colombia win because foreign investors are paying attention to human rights abuses that may be connected to investing.

For its part, Amnesty International has continued to engage Enbridge, Nexen and Talisman Energy on the situation in Colombia. Amnesty International Canada met directly with the CEO of OCENSA in Bogota, Colombia in September 2002, and with Enbridge officials in Calgary in March 2003.

The situation in Colombia continues to be worrisome with few concrete improvements in the area of human rights. However, Canadian and Colombian oil companies appear to have an increased understanding of their responsibility and some have taken a few initial steps to contribute to positive changes in the human rights situation in the country.

Exercising our power as investors: What can you do?

Review your own investments

Why not check on whether your investments are socially responsible? Are the companies screened? Are your pension plans screened? What is the profile of the companies in which you hold shares?

Check the investments held by others in your family - by your parents, your spouse, or your siblings. Help those around you become involved in SRI.

Even if you are not personally involved in a pension plan, people you know are. Ask your friends and co-workers to check their plans. Talk to teachers and ask them to check their plans.

Ask questions

You are entitled to write and ask questions of your fund managers. We

have included here two sample letters to generate ideas and get you started. We invite you to include one of the Amnesty International pamphlets on Business and Human Rights (see Resource list) with your letter.

Apply pressure

We all need to do more to pressure governments to amend pension legislation. Visit our website for tips on writing a letter to the appropriate official on these issues.

Stay connected

Check out the Amnesty website www.amnesty.ca for updated actions that you and your family and friends can get involved with, not only in the area of Business and Human Rights, but to support all matter of human rights.

human rights

SAMPLE LETTERS***Sample Letter One:*****For all contributors to RRSP funds****Re: Socially responsible investing**

Dear Sir (Madam):

I am considering subscribing (or I already subscribe) to mutual funds from your institution for my RRSP. When I reviewed the investments that comprise your portfolios, I noticed the name of companies that operate in countries where Amnesty International reports that basic human rights, including workers' rights, are often violated.

As a member of Amnesty International, I would like to purchase mutual funds offered by companies whose management pays careful attention to human rights, social and environmental risks. I would also like to invest my money with an institution that engage companies in dialogue about risks related to human rights and other social risks. If a company is a particularly bad risk from a social point of view, I would not necessarily expect the institution to divest its shares but rather to establish a dialogue with the company with a view to encourage it to take appropriate measures to ensure the respect of human rights and other social and environmental standards.

I would be most grateful if you could inform me of your institution's policy in the area of socially responsible investing.

human rights

[Enclosed is a pamphlet describing Amnesty International's concerns on the issue of business and human rights.*] If you would like to receive more information about Amnesty International's concerns in specific parts of the world, I'm sure the National Office (613-744-7667) would be pleased to provide you with such information.

Sincerely,

Signature

Sample Letter Two:**For Members of Group RRSPs**

Mr. (Ms) NAME

Manager of the Group RRSP of the Employees of COMPANY XYZ

Re: Request for socially responsible investment funds

Dear Sir (Madam),

As a member of the XYZ employees' group RRSP and as a member/supporter of Amnesty International, I would like to have access to investment funds that take into consideration human rights, social and environmental responsible criteria in our organization's retirement plan.

I understand that, as an administrator of other people's assets, your duty of prudence requires you to make a careful selection among existing funds and to explain the risks associated with those that you propose. But the facts are clear: the assessment of responsible investment funds that have already been available for several years in Canada and in the United States shows that, in most cases, their risk-return ratio is comparable to the profile of the average of the funds in their category. Moreover, corporations that manage seriously the social and environmental aspects of their activity tend to have better financial management and to perform better in the long term. Although some socially responsible investment funds may have higher administration costs, these funds can offer a return that is comparable to other funds in their category.

human rights

I strongly encourage you to offer the employees of XYZ the possibility of investing, through their group RRSP, in mutual funds made up of financially healthy companies which are also leaders in their social practices, especially in the area of human rights. Please keep me informed of your position on this and on the measures that you will be taking.

Enclosed is a pamphlet describing Amnesty International's concerns on the issue of business and human rights. If you would like to receive more information about Amnesty International's concerns in specific parts of the world, I'm sure the National Office (613-744-7667) would be pleased to provide you with such information.

Yours sincerely,

Signature

Name of your employer

Title in the organization

Member of Amnesty International or Supporter of Amnesty International

Please note: We invite you to include the two Amnesty pamphlets on Business & Human Rights (see Resource list) with your letter.

Glossary

Annual General Meeting (AGM): By law, firms (private and public) and organizations are required to hold annual general meetings to allow management to report on the past year to their shareholders and important related parties (if applicable). All shareholders (even those owning a single share) may attend and if they cannot, their vote may be given to a proxy (a substitute who goes on their behalf).

Divestment: the selling off or disposing of an investment

Globalization: The term describes the increased mobility of goods, services, labour, technology and capital throughout the world. Although globalization is not a new development, its pace has increased with the advent of new technologies, especially in the area of telecommunications.

Human rights/basic rights: Human rights are the inherent rights possessed by every individual as a human being and are the same for all people regardless of race, sex, religion, ethnicity, political or other opinion, national or social origin, or other status. This booklet uses the terms “human rights” and “basic rights” interchangeably.

Multi-national/transnational: a corporation with production and distribution facilities in more than one country

Non-governmental organization (NGO): Any organization that is not part of a state institution. The term is usually used in reference to voluntary, charitable or professional organizations, such as human rights organizations like Amnesty International, that make up civil society.

Sustainable development: According to the World Commission on Environment and Development, sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Sweatshop: a shop or factory in which employees work long hours at low wages under poor conditions

Universal Declaration of Human Rights: Adopted by the United Nations General Assembly in 1948, the Universal Declaration of Human Rights (UDHR) is the most widely accepted statement on human rights in the world and its values are the basis of Amnesty International's work.

For More Information

If you're interested in getting more information about SRI and how you can be more involved in the promotion of SRI, here are a few places to start:

SHARE (Shareholder Association for Research and Education)

The Shareholder Association for Research and Education is a national not-for-profit organization helping pension funds to build sound investment practices, to protect the interest of plan beneficiaries and to contribute to a just and healthy society. SHARE works with pension trustees, plan administrators, and plan members to develop and implement sound programs and practices that respond effectively to the needs of plan members and beneficiaries. SHARE's website address is www.share.ca.

Social Investment Organization

Established in 1989, the Social Investment Organization (SIO) is a national non-profit organization dedicated to the advancement of socially

responsible investing in Canada. It is funded primarily from membership dues and is accountable to its membership. The SIO has over 500 members across Canada representing:

- socially and environmentally screened mutual funds and their staff
- financial institutions
- investment advisors and managers
- institutions
- retail investors
- non-governmental organizations and other groups with an interest in responsible investing

To reach SIO, go to their website at www.socialinvestment.ca

Business and Human Rights Resource website

www.business-humanrights.org

The aim of this online library is to provide easy access (through links) to a wide range of materials and to promote informed discussion of important policy issues. The website is maintained by the Business and Human Rights Resource Centre, an independent,

human rights

non-profit organization whose goal is to promote greater awareness of business and human rights issues. This website receives considerable support from Amnesty International.

Check the **Amnesty Canada** website for up-to-date information on our Business and Human Rights program and other human rights material. www.amnesty.ca/business

Printed Resources

The 50 Best Ethical Stocks

Each year, Deb Abbey and Michael Jantzi (who publishes the Jantzi Social Index) publish a book with their recommendations on the best ethical stocks available for purchase by Canadians. Published by McMillan Canada in Toronto.

Human Rights Principles for Companies: Helping Canadian transnationals promote and protect human rights and Human Rights: Make it Your Business, Amnesty International

These two pamphlets were produced by Amnesty International Canada as part of a resource package that we provide to company directors when we meet. You may wish to include one or both pamphlets in your letters to mutual fund directors. This material is available free of charge from our national office.

Additionally, two books on the topic of Business and Human Rights are available for purchase from the national office. Please note that these books do not focus specifically on SRI, but provide a comprehensive overview of the topic. To purchase either book, visit our website www.amnesty.ca/library for an order form.

Human Rights: Is it any of your business?

This book offers a comprehensive and practical introduction to business and human rights. It is targeted at company managers and addresses the human rights issues and dilemmas that affect companies across their operations. Jointly published by Amnesty International UK and The Prince of Wales Business Leaders Forum. 144 pages. Published 2000. ISBN 1-873328-43-5. \$40.00.

developments in social auditing methodologies, shareholder resolutions and dialogue with NGOs. 108 pages. Published 2000. ISBN 1-873328-41-9. \$40.00.

Business and Human Rights in a Time of Change, Christopher L. Avery

This book documents how the policy failures of several major corporations are beginning to transform business thinking. It traces the many ways in which human rights issues can ensnare companies that are not adequately equipped to deal with them. Aimed at those who have influence over company policy, it will also be of interest to students, academics and activists with an interest in the field of business and human rights. The wide range of issues covered include ethical investing,

human rights

How to Reach Us

Amnesty International
(Canadian Section - English-Speaking)
312 Laurier Avenue East
Ottawa, Ontario K1N 1H9
Telephone: 1-800-AMNESTY
(1-800-266-3789)
info@amnesty.ca
www.amnesty.ca

For Amnesty materials:
Contact Jenn Farr
jfarr@amnesty.ca

For Amnesty or related resources:
Sam Burdett
sburdett@amnesty.ca

www.amnesty.ca
1-800-AMNESTY