

CONFLICT RISK NETWORK

FOR IMMEDIATE RELEASE: August 9, 2011

PRESS CONTACT:

Melany Grout, 206-369-0932, grout@genocideintervention.net

INSTITUTIONAL INVESTORS CALL ON OIL COMPANIES TO ADDRESS THEIR ROLE IN CONFLICT IN SYRIA

Companies should cease their financial support to Syrian government, address risk of complicity in ongoing violence

WASHINGTON, D.C. – A coalition of institutional investors today called on 11 publicly traded oil companies operating in Syria to halt operations or take other steps in response to the government’s ongoing violent crack down on civilian protestors. With the collapse of primary sectors of the Syrian economy, companies in the oil sector now represent an increased and essential proportion of funding and fuel that is sustaining the Syrian government. In addition, recent reports of damage inflicted on an oil pipeline suggest that they may be targeted directly due to their affiliation with the regime.

The investors are members of the Conflict Risk Network (CRN), a network of nearly 100 international institutional investors with combined assets under management of more than \$3 trillion. CRN calls on corporate actors to uphold their responsibility to respect human rights and to take steps that support peace and stability in areas affected by conflict.

The investors are asking oil firms to either immediately halt operations or make public or private statements to the Syrian regime to condemn the violence. They also call on the companies to establish clear policies and procedures for ensuring non-complicity in similar crises in the future. The publicly traded companies with operations in Syria are **Gulfsands Petroleum** (UK), **INA Industrija DD** (Croatia), **Maurel ET Prom** (France), **MENA Hydrocarbons Inc** (Canada), **Petrofac** (UK), **Royal Dutch Shell** (Netherlands), **Saipem** (Italy), **Sinochem** (China), **Suncor Energy** (Canada), **Tatneft** (Russia) and **Total** (France).

“It’s time for companies to speak out against the violence in Syria,” said Constantina Bichta, Principal ESG Researcher at Boston Common Asset Management. **“The companies’ financial support of the government links them to the regime’s ongoing human rights abuses. And under the UN Guiding Principles on Business and Human Rights, companies must show they are respecting human rights and act towards mitigating human rights impacts even if they have not contributed directly to them.”**

Civil unrest in Syria is on the rise, as is the government’s disproportionately violent response to it. The government attacks on civilian protests have included the use of live fire and the mobilization of tanks, heavy infantry and snipers as well as the torture and summary execution of detainees. The most recent estimates indicate the violence has resulted in more than 2,000 deaths, mostly among protestors. The violence has drawn condemnation from the United Nations Security Council as well as the United States, European Union, Russia, and Turkey, whose deputy prime minister called last week’s violence in Hama “an atrocity.”

Despite the increasingly chaotic environment, oil companies have maintained the status quo and some have even initiated new contracts. This approach is striking, especially considering the corporate response to the outbreak of conflict in Libya where oil firms scaled down operations and evacuated staff immediately following uprisings in February. Some of those firms' infrastructure and personnel were in close proximity to violence in Libya, which for the most part is not the case in Syria.

But Melany Grout, Director of Conflict Risk Network argues, "Physical security should not be the only factor that necessitates a company response in this situation. Where the context involves a government partner conducting ongoing, direct violence against civilians on a massive scale, companies must address not just physical risks to their operations, but whether they are inadvertently aiding the perpetrator."

Recent reports of damage to an oil pipeline in Syria suggest the possibility that oil companies may become more directly associated with conflict and be targeted for their affiliation with the government.

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About CRN: Conflict Risk Network (CRN), <http://crn.genocideintervention.net/> is a network of institutional investors, financial service providers and related stakeholders calling on corporate actors to uphold their responsibility to respect human rights and to take steps that support peace and stability in areas affected by genocide and mass atrocities. Its goal is to increase such behavior by corporate actors, and thereby reduce conflict risk.

CRN is a project of the Genocide Intervention Network / Save Darfur Coalition (GI-NET/SDC). The two organizations merged on November 1, 2010 to create a more powerful voice dedicated to preventing and stopping large-scale, deliberate atrocities against civilians. The organization remains committed to its work to end the crisis in Darfur and bring peace to all of Sudan as well as to end violence in other areas of mass atrocities such as Congo and Burma. The merger creates the world's largest anti-genocide organization, with a membership base of hundreds of thousands of committed activists globally, an unparalleled nationwide student movement, more than 190 faith-based, advocacy and human rights partner organizations, and a network of institutional investors collectively representing more than \$3 trillion in assets under management.