

Mr. Georg Kell, Executive Director of the Global Compact

CC: Dr. John Ruggie, United Nations Secretary General's Special Representative on Human Rights and Transnational Corporations and other Business Enterprises

Ms. Louise Arbour, United Nations High Commissioner for Human Rights

Office of the Secretary General  
United Nations  
New York, NY 10017

May 12, 2008

Dear Mr. Kell,

We write to urge the United Nations Global Compact (GC) to use its leverage and the privilege and prestige of membership in the GC to engage with PetroChina Co Ltd. (PetroChina), a GC participant, on behalf of the people of Sudan.

As you know, the Secretary-General has launched a year-long campaign in which all parts of the United Nations family are recognizing 2008 as the 60th anniversary of the Universal Declaration of Human Rights (UDHR). This anniversary is particularly relevant for the GC which derives the first two of its ten principles from the UDHR. The first principle of the GC states that businesses should support and respect the protection of internationally proclaimed human rights. The second principle requires that businesses ensure that they are not complicit in human rights abuses.<sup>1</sup> In spite of these principles, PetroChina, the listed arm of China National Petroleum Corporation (CNPC), Sudan's largest oil industry partner, is indisputably linked to the regime perpetuating the violent conflict in Darfur. We write in honor of the 60<sup>th</sup> anniversary and in advance of PetroChina's annual meeting of shareholders on May 15, 2008.

Our concerns fall under Measure Four of the GC Integrity Measures: "Allegations of Systematic or Egregious Abuses."<sup>2</sup> In this measure, the GC states that "safeguarding the reputation, integrity and good efforts of the Global Compact and its participants requires transparent means to handle credible allegations of systematic or egregious abuse of the GC's overall aims and principles." In accordance with these Integrity Measures, we respectfully request that the GC will, "use its own good offices to encourage resolution of the matter," by requesting that PetroChina, in partnership with its parent company, CPNC:

- Engage the Government of Sudan (GoS), either independently or collectively with other foreign oil companies operating in Sudan, and request that the GoS (1) fully and promptly implement all provisions of United Nations Security Council Resolution 1769 (UNSCR 1769) which authorizes the deployment of a robust international peacekeeping force in Darfur, (2) ensure free and unfettered access for humanitarian aid workers to the people of Darfur, (3) provide full and unrestricted land access for peacekeeping troops (including land for UN bases), (4) cease support for the Janjaweed militia without delay, and (5) genuinely engage in the Darfur peace process.
- Make all possible efforts to contribute to the success of Sudan's Comprehensive Peace Agreement (CPA), including utilizing leverage on its business affiliates, on the GoS, and on the Government of South Sudan to ensure that the CPA is implemented without further delay.

If PetroChina/CNPC does not fulfill these requests, and also does not provide a comprehensive report to the UNGC and the undersigned within three months from PetroChina's annual meeting, we respectfully request that PetroChina be placed on probationary status as a GC participant until such actions have been satisfactorily taken and reported.

---

<sup>1</sup> United Nations Global Compact (UNGC), "The Ten Principles," <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>, accessed 3 May 2008.

<sup>2</sup> UNGC, "Integrity," <http://www.unglobalcompact.org/AboutTheGC/integrity.html>, accessed 3 May 2008.

Although PetroChina has claimed independence from CNPC, the two companies are inseparable. Management at CNPC and PetroChina almost completely overlap and the same individual, Jiang Jiemin, is president of both companies. Frequent asset transfers between the two entities, which often take place at subsidized rates, have made CNPC completely reliant on PetroChina for its financial health. In a May 2007 report on the relationship between PetroChina and CNPC, KLD Research & Analytics, an independent research firm, concluded that “investors should treat CNPC and PetroChina as if they were a single entity.”<sup>3</sup> Comprehensive research by the Genocide Intervention Network on the intimate, opaque, and symbiotic relationship among PetroChina, CNPC, and CNPC's extensive and problematic operations in Sudan reaches the same conclusion.<sup>4</sup>

PetroChina has been engaged regarding Sudan for at least five years by numerous individual and institutional investors, including public and private pension funds, mutual funds and asset managers. Despite the overwhelming evidence to the contrary, the company has continuously denied its connection to CPNC and its operations in Sudan.

We believe that engagement by PetroChina/CNPC with the GoS would have a dramatic impact on curtailing the gross violations of human rights committed in Sudan for decades. The GoS has a well-documented history of susceptibility to economic pressure. It is highly reliant on foreign direct investment not only to pay its debts and subsidize government expenditures, but also to fund its military and finance the conflict in Darfur. In fact, a former Sudanese finance minister estimated that 70% of the government's share of oil profits is spent on the military.<sup>5</sup>

China is Sudan's largest foreign investor and most significant international supporter. Over the past ten years, Beijing has courted the favor of GoS leaders in order to secure access to petroleum and other primary resource supplies needed to feed China's booming economy. As the US and Europe have either imposed or considered imposing sanctions on Sudan, China invested an estimated \$15 billion into Sudan. The state-owned CNPC operates the majority of Sudan's oil industry and has invested at least \$5 billion in the country.<sup>6</sup>

In the April 2008 issue of the Compact Quarterly newsletter, you wrote, “Civil society must remain vigilant. Over and above being a partner in implementation, their continued vigilance will be required to ensure that businesses resist the temptation to take easy escape routes. It is not enough for business to focus on specialized engagement opportunities while neglecting core issues that are also impacted by their operations. Indeed, it would be wrong to allow for ‘offsets’ that serve to ignore other responsibilities. I hope civil society will not abandon its traditional watchdog role.”<sup>7</sup>

In writing this letter, the undersigned are fulfilling the responsibility to act as corporate watchdog which you ask of us. We sincerely hope that the UN Global Compact and its participant, PetroChina, will also fulfill their respective responsibilities to uphold the principles of the GC by taking immediate and constructive action to help end the egregious violations of human rights occurring in Darfur for over the past five years. Please direct any response to this letter to [info@investorsagainstgenocide.org](mailto:info@investorsagainstgenocide.org).

Sincerely,

---

<sup>3</sup> KLD Research & Analytics, “Public Companies Operating in Sudan: The Relationship of PetroChina Company Ltd. to China National Petroleum Corporation,” 9 May 2007,

[http://www.kld.com/newsletter/archive/press/pdf/KLD\\_Analysis\\_of\\_PetroChina\\_Company.pdf](http://www.kld.com/newsletter/archive/press/pdf/KLD_Analysis_of_PetroChina_Company.pdf), accessed 3 May 2008.

<sup>4</sup> Sudan Divestment Task Force (SDTF), “PetroChina, CNPC, and Sudan: Perpetuating Genocide,” 15 April 2007 (Updated 3 January 2008), <http://www.sudandivestment.org/position.asp#petrochina>, accessed 3 May 2008.

<sup>5</sup> SDTF, “PetroChina, CNPC, and Sudan: Perpetuating Genocide,” 15 April 2007 (Updated 3 January 2008): 3, [http://www.sudandivestment.org/docs/PetroChina\\_CNPC\\_Sudan.pdf](http://www.sudandivestment.org/docs/PetroChina_CNPC_Sudan.pdf), accessed 3 May 2008.

<sup>6</sup> *Ibid.* 5.

<sup>7</sup> Compact Quarterly, “The Future of Corporate Responsibility” by Georg Kell, Volume 2008, Issue 1, [http://www.enebuilder.net/globalcompact/e\\_article001076831.cfm?x=bcwrKs5\\_b8Jtqm0v.w](http://www.enebuilder.net/globalcompact/e_article001076831.cfm?x=bcwrKs5_b8Jtqm0v.w), accessed 6 May, 2008

## Signatories to Global Compact letter

### **American Jewish World Service**

Ruth Messinger, President  
New York, NY, USA

### **Americans Against the Darfur Genocide**

Nikki Serapio, Director  
Palo Alto, CA

### **Archdiocese of San Francisco**

George Wesolek, Director, Public Policy and  
Social Concerns.  
San Francisco, CA, USA

### **Armenian Assembly of America**

Bryan Ardouny, Executive Director  
Washington, DC, USA

### **Armenian National Committee of America**

Aram Hamparian, Executive Director  
Washington, DC 20036

### **Berne Declaration - Erklärung von Bern**

Oliver Classen, Media Officer  
Zurich, Switzerland

### **Brazilian Institute of Social and Economic Analyses**

João Sucupira, Director  
Rio de Janeiro, Brazil

### **Buddhist Peace Fellowship**

Zenju Earthlyn Manuel, Executive Director  
Buddhist Peace Fellowship National Office  
Berkeley, CA USA

### **Canadian Students for Darfur**

Clement Apaak, Founder and Chair  
Vancouver, BC, Canada

### **Centre for Human Rights and Rehabilitation (CHRR)**

Undule Mwakasungura, Executive Director  
Lilongwe, Malawi

### **Centre for Research on Multinational Corporations (SOMO)**

Bart Slob, Senior Researcher  
Amsterdam, the Netherlands

### **Centro de Estudios para el Desarrollo de la Mujer (CEDEM)**

Pamela Caro, Researcher  
Santiago de Chile, Chile

### **Collectif Urgence Darfour**

Dr. Jacky Mamou, President  
Paris, France

### **Comité Soudan**

Diagne Chanel, Presidente  
Paris, France

### **Clean Yield Asset Management**

Rian Fried, President  
Greensboro, VT, USA

### **Corporación DOMOS**

Carolina Peyrín  
Santiago, Chile

### **Corporate Accountability International**

Kathryn Mulvey, International Policy Director  
Boston, Massachusetts, USA

### **Corporate Governance**

James McRitchie, Publisher  
Elk Grove, CA, USA

### **Damanga Coalition for Freedom and Democracy**

Mohamed Yahya, Founder and Executive  
Director  
Washington, DC, USA

### **Darfur Alert Coalition**

Jim Remsen, Interim Executive Director  
Philadelphia, PA, USA

### **Darfur Association in the United States of America**

Mahmoud Braima, President  
Baton Rouge, LA, USA

### **Darfur Call**

Ahmed M. Mohamedain, Managing Director of  
Human Rights and Advocacy  
Amsterdam, The Netherlands

### **Darfur Community Organization**

Bakheit Shata, Founder/Executive Director  
Omaha, NE, USA

### **Darfur Peace and Development**

Omer Ismail, Vice President / Advocacy  
Washington DC, USA

### **Darfur People's Association of New York**

Motasim Adam, President  
Brooklyn, New York, USA

### **Domini Social Investments LLC**

Adam M. Kanzer, Managing Director & General  
Counsel  
New York, NY, USA

### **Dream for Darfur**

Jill Savitt, Executive Director  
New York, NY, USA

### **EARTHWORKS**

Stephen D'Esposito, President and Executive  
Director  
Washington, D.C., USA

**ENOUGH: The Project to End Genocide and Crimes Against Humanity**

Cory Smith, Acting Executive Director  
Washington, DC, USA

**Evangelical Lutheran Church in America**

Pat Zerega, Director of Corporate Social Responsibility  
Chicago, IL, USA

**Mia Farrow**

Actor and Human Rights Advocate  
USA

**Forum for Environment and Development (ForUM)**

Elin Enge, Director  
Oslo, Norway

**Foundation CentrumCSR.PL**

Grzegorz Piskalski, Director  
Warsaw, Poland

**Friends of the Earth Europe**

Darek Urbaniak, Extractive Industry Campaign Coordinator,  
Brussels, Belgium

**Fundación Casa de la Paz**

Carolina Silva, Executive Director  
Santiago, Chile

**Fundación El Otro**

Marcelo Ugo, Presidente  
Buenos Aires, Argentina

**Fundación SES**

Roque A. Grunauer, Coordinator  
Buenos Aires, Argentina

**Genocide Alert**

Robert Schuette, Head Executive  
Cologne, Germany

**Genocide No More - Save Darfur**

Marv Steinberg, Coordinator  
Redding, CA, USA

**groundWork (Friends of the Earth)**

Bobby Peek, Director  
Pietermaritzburg, South Africa

**Harrington Investments, Inc.**

John Harrington, CEO  
Napa, CA, USA

**Holocaust Center of Northern California**

Morgan N. Blum, Director of Education  
San Francisco, CA, USA

**Humanity United**

Randy Newcomb, President  
Redwood City, CA, USA

**IDP Action**

Frank Smith, Director, Policy and Communications  
London, UK

**India Committee of the Netherlands**

Gerard Oonk, Director  
Utrecht, the Netherlands

**Interfaith Center on Corporate Responsibility**

Laura Berry, Executive Director  
New York, NY, USA

**Investors Against Genocide**

Eric Cohen, Chairperson  
Boston, MA, USA

**Jewish Community Relations Council**

Rabbi Douglas Kahn, Executive Director  
San Francisco, CA, USA

**Jewish World Watch**

Tzivia Schwartz-Getzug, Executive Director  
Encino, CA, USA

**Leadership Conference of Women Religious**

Marie Lucey, Associate Director for Social Mission  
Silver Spring, MD, USA

**Massachusetts Coalition to Save Darfur**

William Rosenfeld, Treasurer and Board Member,  
Boston, MA, USA

**Member of the Legislative Assembly, Alberta**

Dr. David Swann  
Alberta, Canada

**Member of Parliament - Government of Canada**

The Hon. Marlene Jennings P.C.  
Montreal, Qc, Canada

**Member of Parliament - Government of Canada**

Alan Tonks  
Weston, Ontario, Canada

**Member of Parliament - Government of Canada**

Alexa McDonough  
Halifax, Nova Scotia, Canada

**Member of Parliament - Government of Canada**

Paul Dewar  
Ottawa-Centre, Ontario, Canada

**Member of U. S. Congress**

Michael E. Capuano (MA-08)  
USA

**Member of U. S. Congress**

James P. McGovern (MA-3)  
USA

**Member of U. S. Congress**

Donald M. Payne (NJ-10)  
USA

**Member of U. S. Congress**

John F. Tierney (MA-6)  
USA

**My Sisters Keeper**

Rev. Gloria White Hammond, MD, Executive  
Director  
Boston, MA. USA

**Observatorio de Responsabilidad Social  
Corporativa**

Orencio Vázquez Oteo, Coordinator  
Madrid, Spain

**New York City Coalition for Darfur**

Eileen Weiss, Co-founder  
New York, NY, USA

**Organización de Consumidores y Usuarios  
(ODECU)**

Stefan Larenas Riobó, President  
Santiago de Chile, Chile

**Programa Laboral de Desarrollo (PLADES)**

Giovanna Larco Drouilly, Executive president,  
Lima, Peru

**Eric Reeves**

Sudan researcher, analyst, and advocate  
Northampton, MA, USA

**San Francisco Bay Area Darfur Coalition**

Martina W. Knee, Member, Executive Committee,  
San Francisco, CA, USA

**Save Darfur Coalition**

Jerry Fowler, President  
Washington, DC, USA

**SaveDarfurWashingtonState**

Deborah Jones, President  
Seattle, WA, USA

**Social Support Foundation**

Louis Acheampong, Executive Director  
Obuasi – Adansi, Ghana

**Society for Threatened Peoples**

Sharon Silber, UN representative  
Göttingen, Germany

**STAND Canada**

Yoni Levitan, Executive Director  
Canada

**SETEM Madrid**

Gabriela Arizmendi, Managing Director  
Madrid, Spain

**Stop Genocide Now**

Gabriel Stauring, Co-founder and Director  
Redondo Beach, CA, USA

**Sudan Divestment UK**

Hamish Falconer, Executive Director  
London, UK

**Taller de Acción Cultural**

Verónica Salas, Director  
Santiago, Chile

**Jennifer Taub,**

Coordinator of the Business Law Program  
University of Massachusetts, Amherst, MA USA

**The Aegis Trust**

Dr. James Smith, Chief Executive Officer  
Nottinghamshire/London, UK

**Tri-State Coalition for Responsible  
Investment**

Patricia A. Daly, OP, Executive Director  
Montclair, NJ, USA

**Unitarian Universalist Association**

Timothy Brennan, Treasurer  
Boston, MA, USA

**Unitarian Universalist Service Committee**

Charlie Clements, President and CEO  
Cambridge, MA, USA

**U.S. Campaign for Burma**

Jeremy Woodrum, Director  
Simon Billenness, Co-chair, Board of Directors

**Waging Peace**

Louise Roland-Gosselin, Executive Director,  
London, UK.

**Walden Asset Management**

Tim Smith, Senior Vice President  
Boston, MA, USA

**Wassa Communities Affected by Mining  
(WACAM)**

Daniel Owusu-Koranteng, Executive Director  
Ghana