

February 1, 2009

Dear Global Compact Board Member:

We are writing to you and the other Board Members of the UN Global Compact (UNGC) to request that the Global Compact Office reconsider its response to our allegation of egregious abuse of the principles of the UNGC by PetroChina. You can find our extensively detailed complaint posted online at the [Global Compact website](#) and related material at [InvestorsAgainstGenocide.org](#). Our complaint was supported in an [open letter](#) signed by [over 80 civil society organizations](#) (including human rights, corporate accountability, religious groups, and government officials) from 25 countries.

We fully support the work of the UNGC to align the actions of companies with their commitment to the Global Compact principles. However, we disagree about the appropriate next step on our complaint.

Our complaint does not ask the UNGC to agree or disagree with our allegation of egregious abuse, but rather to use the documented UNGC procedures for processing such allegations. The [Integrity Measures](#) are clear. The UNGC must process a complaint unless it is found to be prima facie frivolous. After reading the [complaint](#), we hope you will agree that it is far from frivolous. Indeed, the Global Compact Office has not claimed that the complaint is frivolous. As stated in the UNGC [response](#):

“we have decided not to handle this matter as an integrity issue of an individual company, PetroChina. The matters you raised in your correspondence could equally apply to a number of companies operating in conflict prone countries. As you have previously confirmed to us, PetroChina has been singled out largely because it, unlike many of the other companies that your coalition has been focusing on, has recently taken the step of joining the Global Compact. Since we are a learning initiative, this is a step that should be welcomed instead of criticized.

We do not agree that PetroChina or any other company should be immune from criticism by virtue of becoming a signatory to the Global Compact. On the contrary, it is precisely because companies are signatories that they should be challenged to live up to the principles embodied in the Compact.

Invoking the Integrity Measures is particularly important in this case, since PetroChina is connected to the human rights crisis in Darfur, Sudan, despite its professed commitment to the key principles of the Global Compact. These principles, as you well know, call for businesses to support and respect the protection of internationally proclaimed human rights and for businesses to ensure that they are not complicit in human rights abuses. The UNGC would be setting an extremely unfortunate precedent by declining to use its own documented process to preserve the integrity of its work in this extreme situation.

The UNGC’s response to our complaint stated that the “Global Compact’s approach to business and peace emphasizes engagement rather than divestment and the power of collective action rather than focusing on any one individual company” and that “handling this matter as an integrity issue of one company would run counter to the Global Compact’s approach of looking for practical solutions on the ground.” We agree on the value of engaging with businesses regarding their understanding and commitment to the Global Compact. Applying the Integrity Measures will accomplish that shared objective by requesting that PetroChina engage on the substance of the allegations we documented in the formal complaint. Taking action against

PetroChina, far from discouraging collective action and practical solutions on the ground, would greatly improve the chances for constructive engagement. Only by demonstrating that inaction and lip service are not acceptable will the business community take the actions that are clearly warranted in Sudan and other conflict zones.

In remarks on December 15, 2008, to the Global Compact Board at a meeting in New York, Secretary General Ban Ki-moon said, "When we met for the first time in this room more than a year-and-a-half ago, I called on you to ensure that the momentum of the Global Compact is not lost on the slippery slope of the lowest common denominator. This is now more urgent than ever. In particular, I will be relying on you to further refine the good measures that have been taken to strengthen the quality and accountability of the corporate commitment to the Compact. As we move forward, it will be critical that the integrity of the initiative and the credibility of this Organization remain beyond reproach."

What is the purpose of the Integrity Measures if the UNGC fails to apply them given the grave human rights abuses and seriousness of this complaint? Failing to act would undermine the integrity of the Global Compact in exactly the way the Secretary General warned it to avoid.

The Secretary-General provided a healthy challenge to the UNGC that applies to the complaint against PetroChina. We hope that, as a member of the Board, you will give consideration to the formal complaint and, in conjunction with the Global Compact office, apply the Integrity Measures in this important case.

Sincerely,



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