

**CONFLICT**

**RISK**

**NETWORK**

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**CONFLICT RISK NETWORK CALLS ON ITALIAN OIL COMPANY TO ENSURE IT'S NOT FUELLING QADDAFI**

*Company's policies appear to allow for its products to reach Libyan regime*

**WASHINGTON, D.C.** – A group of institutional investors including Domini Social Investments and Capricorn Investment Group sent a [letter](#) this week to Italian oil firm Saras S.p.A., urging it to ensure its products do not facilitate violence committed by Muammar Qaddafi's regime in Libya. The investors expressed concerns – which had not been alleviated through engagement with the company – that Saras S.p.A.'s policies are inadequate given the extraordinary nature of ongoing events in Libya. On May 20th reports surfaced that NATO naval forces forcibly diverted a tanker with a cargo of Saras gasoline bound for western Libya, citing that "NATO naval forces can deny access to vessels entering or leaving Libyan ports if there is reliable information to suggest that the vessel or its cargo will be used to support attacks or threats on civilians, either directly or indirectly."

The investors are members of the Conflict Risk Network (CRN), a network of institutional investors, financial service providers and related stakeholders calling on corporate actors to fulfill their responsibility to respect human rights and to take steps that support peace and stability in areas affected by genocide and mass atrocities. CRN conducted outreach to Saras S.p.A. on behalf of its network of institutions which collectively represent more than \$3 trillion in assets under management.

"The company's actions do not appear to violate existing sanctions on Libya, but we expect companies to do more than just comply with the law," said Shin Furuya, Vice President, Responsible Investment Research at Domini Social Investments LLC. "They have a responsibility to respect human rights, and under [UN Guiding Principles on Business and Human Rights](#) this means avoiding complicity in abuses committed by others. Saras seems to have neglected its responsibility in this case and risks undermining its reputation as a responsible corporate actor."

In response to a series of inquiries from CRN, Saras S.p.A. had explained that its product onboard the NATO-intercepted vessel was a blending component for gasoline and that it complies with applicable restrictive measures concerning Libya. The company declined,

however, to confirm whether such restrictive measures prohibit the transfer of products to western Libya and to provide information on any due diligence procedures it may undertake to prevent its products from reaching the Qaddafi regime. Saras S.p.A. maintained that upon loading its product, buyers assume responsibility for end use. It is unclear whether the sale that led to Saras S.p.A.'s product being aboard a Libya-bound tanker was an isolated incident or an ongoing practice.

"We're not talking about a normal market in this case," said CRN's Director, Melany Grout. "There are credible reports of widespread, deliberate violence against civilians in Libya, and of Qaddafi's increasing need for gasoline and fuel. A company cannot shrug its shoulders in response to reports that its product is headed there. Upholding the responsibility to respect human rights in this situation calls for heightened due diligence and practical steps such as asking buyers whether they are supplying Qaddafi."

An estimated 10,000 to 15,000 people have been killed in Libya since the start of fighting in February. A UN Human Rights Council mission to Tripoli and rebel-held areas in late April reportedly found that Qaddafi's forces have committed war crimes including attacks on civilians, aid workers and medical units.

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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 fulfill 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 Save Darfur Coalition / Genocide Intervention Network (SDC/GI-NET). 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 trillions in assets under management.