



Challenging injustice, promoting stewardship

Annual Review 2010/11



*'Let justice roll down like waters, and
righteousness like an ever-flowing stream.'*

Amos 5:24

ECCR corporate members

Baptist Union of Great Britain, Carlisle One World Centre, Cazenove, CCLA Investment Management, Central Finance Board of the Methodist Church, Christian Aid, Christian Council for Monetary Justice, The Church of Scotland, The Church in Wales, Churches Council for Industry & Social Responsibility, Churches Dalit Support Group, Co-operative Financial Services, Congregation of Jesus Charitable Trust, Daughters of the Heart of Mary, (Arch)Diocese of Birmingham Justice and Peace Commission, Diocese of Brentwood Commission for Justice and Social Responsibility, Diocese of Hallam, Diocese of Lancaster Faith and Justice Commission, Diocese of Oxford, Diocese of Shrewsbury Justice and Peace Commission, Diocese of Southwark, Diocese of Worcester Board of Finance, Ecclesiastical Investment Management, ECCR London and South East, ECCR Oxford, ECCR South West, ECCR West Midlands, EcoQuakers Ireland, Ecumenical Partnership Initiatives, EIRIS, Ethical Investors, Ethical Screening, FairPensions, Faith at Work in Worcestershire, Franciscan Missionaries of the Divine Motherhood, Gaeia Partnership, IBEX, Industrial Mission Association, Industrial Mission Association LASER, Interfaith Center on Corporate Responsibility, Investing Ethically, Kent Area Justice and Peace Group, L&P Financial Trustees, La Sainte Union, Lincolnshire Chaplaincy Services, Medical Mission Sisters, Methodist Church, Mission in London's Economy, Missionary Society of St Columban, National Justice and Peace Network, Oikocredit, Pax Christi, Portobello and District Council of Churches, Progressio Ireland, Rathbone Greenbank, Religious Society of Friends: Quaker Peace & Social Witness, St Patrick's Missionary Society, School Sisters of Notre Dame, Shared Interest, Sisters of Charity of Jesus and Mary, Sisters of Christian Instruction, Sisters of the Holy Family of Bordeaux, Sisters of La Retraite, Sisters of Marie Auxiliatrice, Sisters of Our Lady of Apostles, Sisters of St Joseph of Annecy, Sisters of St Joseph of Peace, Social Responsibility Forum of Churches Together in Cumbria, Society of the Daughters of the Holy Ghost, Society of the Holy Child Jesus, Society of Jesus, South East Scotland Area Meeting (Quakers), South Yorkshire Workplace Chaplaincy, Swindon Churches Together, Student Christian Movement, Telford Christian Council, Traidcraft Exchange, Triodos Bank, Trócaire, United Reformed Church, URC Northern Synod, URC Wessex Synod, URC West Midlands Synod, Uniting Church in Australia, USPG: Anglicans in World Mission.

Membership as at 31 May 2011. ECCR also has more than 110 individual members.

From the Chair and Vice Chair

It is more than 20 years since ECCR first asked what corporate responsibility means for Christians and churches with shareholdings in companies and a commitment to ethics, human rights and stewardship. We argued then, and still do today, for people and natural resources to be fully valued as the basis of the economy.

Recognition of the principle of corporate responsibility has grown significantly. But practical progress in some areas has been offset by worsening outcomes in others. 2010/11 provided little assurance that the world is delivering economic benefits more justly or more sustainably than before.

This year ECCR added to ongoing work on the oil and mining industries, and on supermarket supply chains, a focus on the banking sector. While for some the financial crisis has raised ethical questions mainly in terms of systemic risk, stability, and pay and bonuses, ECCR's research disclosed a broader range of concerns about the banks as corporate citizens.

As always, we have sought to identify potential solutions as well as problems, and to contribute to greater understanding of the costs and benefits of business activity, which we sorely need as people of faith and as a society to meet present and future challenges. With income for many voluntary organisations falling, or static at best, we aim to make the most of our newly gained charitable status to resource our future work.

Once again we thank all those who have contributed to ECCR's activities over the year and look forward to your continuing involvement, support and collaboration in 2011/12.

Lee Coates OBE, Chair

Rev. Raymond Singh, Vice Chair

ECCR's year

While some parts of the global economy recovered in 2010/11, urgent problems still beset millions of the world's poor and not-so-poor, and the natural world on which all depend. ECCR's work, rooted in Christian concern for justice and stewardship, remains as relevant as ever while severe inequality and unsustainable production and consumption patterns are prevalent.

During the year we maintained involvement in debates about the impact of the extractive industries (especially oil and mining), and about Israeli settlement goods and vulnerable workers in company supply chains, while publishing a major new research report on the banking sector. ECCR and its members engaged directly, and worked with others in dialogue, with Anglo American, BHP Billiton, BP, Royal Dutch Shell, Vedanta, HSBC, Standard Chartered and other banks, high-street retailers of settlement produce, and companies operating in India.

'I strongly support the work ECCR is doing and am hugely impressed by the reports and engagement in recent years ... An incredible volume of effective, high calibre work on modest income' – *Corporate member*

We collaborated with other faith-based and civil society groups in advocacy on regulatory reform of banking and global taxation; a UN business and human rights mechanism; human trafficking; the protection of vulnerable workers; a living wage; access to justice by victims of corporate human rights abuse; and mandatory greenhouse gas reporting by companies.

We organised and spoke at numerous events, provided many articles, published regular briefings and news updates, and were key contributors to National Ethical Investment Week.

This was also the year in which ECCR became a registered charity. We hope that this step will help our financial sustainability in years to come.

Banks and society

While recent concern about the banks has rightly focused on the financial crisis and economic downturn, ECCR's report also highlighted other major social, human rights and environmental impacts of our current banking system and culture. In covering 13 broad issues, we drew on a spectrum of work by others, which we gratefully acknowledged.

We launched ***The Banks and Society: Rebuilding Trust*** with a well-attended public meeting in

March chaired by Rt Rev.

David Urquhart, the Bishop of Birmingham, and an Ireland launch later in the year in Dublin. ECCR's West Midlands Group organised the Birmingham event, while corporate member L&P

Financial Trustees hosted the Dublin launch. We distributed the report widely to parliamentarians, regulators and the banks themselves.

'ECCR's report on the banks provides accessible and practical tools to promote transparency and reform' –
Rev. Seamus Finn, Interfaith Center on Corporate Responsibility



Our report, sponsored by corporate member CCLA and published in association with the Better Baking Campaign, was widely praised. Dr Giles Fraser, Canon Chancellor of St Paul's, called it 'a great resource for churches to get people thinking about the moral issues involved'. The UK Business Secretary and the Head of the Financial Services Authority welcomed the report as an important contribution to the public debate.

Rt Rev. John Packer, the Bishop of Ripon & Leeds, asked in the House of Lords the day after our launch: 'Does the Minister agree that one of the major issues in this area is the lack of trust in the large banks? ... Will he affirm that there is a need ... for a restoration of trust within the sector?'

'ECCR is to be congratulated on putting together such a succinct analysis of the banking sector as well as a comprehensive list of recommendations' –
Corporate member

We began a series of meetings with banks to encourage them to embrace the changes that our report advocates.

Extractive industries

ECCR's engagement with oil companies Royal Dutch Shell and BP, alongside partner non-governmental organisations, churches and investors, continued to focus the companies' attention on impacts on communities and the environment and helped bring about more transparency regarding their operations and risk management.

Our Nigerian partners formed the National Coalition on Gas Flaring and Oil Spills in the Niger Delta (NACGOND) to engage with oil companies and the Nigerian Government on reform of oil spills management, and our donor-partner Cordaid cited our 2010 report ***Shell in the Niger Delta*** during Dutch Parliament hearings on corporate responsibility in West Africa. Cordaid urged the importance of dialogue involving oil companies, the Nigerian Government and civil society on improving the prevention and clean-up of oil pollution and compensation for affected communities, asked the Dutch Government to facilitate such a dialogue and called on Shell to actively support it.

Shell's public accountability advanced, with online publication of its Niger Delta environmental impact assessments and launch of a website tracking its response to oil spills on a monthly basis. ECCR publicly welcomed both developments.

'Great to see this issue of ECCR's *Bulletin* featuring the article about Bristol Bay, and the proposed Pebble Mine. I think this will really help us reach UK investors with ethical concerns' –
Lucy Pearce, Earthworks

Also during the year we opened a dialogue with Shell regarding the disputed issue of health risks from gas flaring, and following BP's Gulf of Mexico oil spill disaster joined many others in calling publicly for far greater compensation to address the impact of oil spills in the Niger Delta, with a UK press letter and Nigerian press statement. International oil operators

subsequently agreed to set up a fund to cover the costs of Nigerian oil spills.

ECCR was among church investors and shareholder advocates voicing concerns at **BP's AGM**. Several had agreed not to file a shareholder resolution in the wake of the 2010 Deepwater disaster on the understanding that BP would demonstrate greater systematic attention to operational and

strategic risks. Two Canadian First Nations representatives raised questions about BP's oil (tar) sands operations, and ECCR reminded the company of concerns about oil-sands-related risks to health, citing research by the Canadian Friends Service Committee (Quakers).

Our advocacy and awareness raising since 2008 as a member of the **Working Group on Mining in the Philippines** was recognised in joint receipt of the Armin Rios-Marin Memorial Award from a Philippines civil society coalition. The award, named in memory of a murdered Philippines human rights defender, was made for 'commitment to environmental conservation and human rights advocacy ... the integrity of creation and preserving lives'. With partner organisations we also developed a detailed plan for future work promoting the right of indigenous peoples to free, prior and informed consent over mining operations on their territories, in line with the UN Declaration on the Rights of Indigenous Peoples.



Community picket against new mining on food-producing lands, Midsalip, Philippines

In engaging with companies and institutional investors on oil and mining, ECCR has responded to concerns of local communities, churches, investors and the wider public that these extractive industries involve serious negative social and environmental impacts. Focusing attention on such impacts helps build awareness, increases accountability and supports long-term efforts to ensure that such industries impose progressively fewer social and environmental costs.

Supply chains

ECCR's advocacy regarding trade in **Israeli settlement produce** from the occupied Palestinian territories complemented initiatives of the Methodist Church and the Religious Society of Friends (Quakers) on this issue. Dialogue that we initiated enabled retailers to better understand the importance of distinguishing between settlement produce and produce from within Israel's pre-1967 borders and helped persuade three supermarket chains to stop stocking settlement food products.

We led sessions about settlement goods at the National Justice & Peace Network annual conference and at a Quaker Peace & Social Witness/ Quaker Council for European Affairs conference in Brussels. As a result of the NJPN workshop, a participant undertook detailed correspondence with Asda, The Co-op, Morrison's, Musgraves, Sainsbury, Superquinn, Tesco and Waitrose.



Palestinian farmers' market

With the settlements illegal under international law and widely considered an obstacle to a just and lasting peace between Israel and the Palestinians, we believe that our efforts have contributed to possibilities for conflict transformation in the Middle East.

Following from our 2009 report on **Vulnerable Migrant Workers**, we worked with the Institute for Human Rights and Business, Anti-Slavery International, Oxfam and the Ethical Trading Initiative to address exploitation of agency workers in the UK. This collaboration resulted in a joint proposal to merge the Gangmasters Licensing Authority and the Employment Agencies Standards Inspectorate, submitted to the UK Employment Relations Minister.

Other advocacy and collaboration

During the year ECCR made a joint submission with Christian Aid to the International Accounting Standards Board advocating a strong new international accounting standard requiring **country-by-country reporting** of revenues and expenditures by extractive companies.

We co-signed a letter to three UK Government secretaries of state (at DEFRA, DECC and BIS) in support of **mandatory greenhouse gas reporting** by large companies, with one investment fund manager supporting this at our suggestion. We also endorsed a letter to the Ministry of Justice opposing proposed legal changes threatening **access to justice** by victims of alleged corporate human rights violations.

Other initiatives that ECCR publicly supported included calls for companies to adopt vigorous policies to protect against **human trafficking in supply chains** and, if operating in India, to address **caste discrimination**, and advocacy regarding a **living wage**, the importance of a robust new **UN mechanism on business and human rights**, and reform of the **UK government's export credit guarantee department**.

'It was great to learn about all of your recent activities and new developments' – *Peter Chapman, Shareholder Association for Research and Education (SHARE), Canada*

Raising awareness and supporting engagement

A core aspect of ECCR's mission is awareness-raising within and beyond the church community. During the year we organised and spoke at 13 public events.

'Many congratulations to you for organising such a successful conference, attended by such a well informed and appreciative audience. It was a pleasure to present and air my views' – *Open Debate panel speaker*

Rt Rev. Lord Harries chaired an excellent panel at our annual Open Debate in London, entitled **Positive Impact Investment: Too Good to Be True?**, comprising James Bevan of CCLA Investment Management, Ryan Brightwell of Co-operative Financial Services, Clare Brook of WHEB Asset Management, and

Adam Ognall of UKSIF (UK Sustainable Investment and Finance). The debate explored how positive impact investing can assist progress towards a fairer and more sustainable economy.

We worked with EcoQuakers Ireland to organise a joint public meeting in Dublin under the title **Making our Money Work for a Better World**. And three ECCR Board members led and participated in a policy roundtable on **business, human rights and state pension funds** organised by Irish donor-partner and corporate member Trócaire, which also featured a speaker from the Norwegian Government Pension Fund's Council on Ethics.

ECCR was again active during National Ethical Investment Week, contributing worship materials to a widely distributed **Action Guide for Churches**, and co-organising with JustShare and UKSIF a well-attended launch event at St Mary-le-Bow Church in London.



Action Guide for Churches launch panel (l-to-r): Helen Wildsmith (CCLA), Barry Clavin (The Co-operative), Adam Ognall (UKSIF), Gavin Oldham (Church Commissioners), Rev. Raymond Singh (ECCR)

Individual and smaller corporate members informed us during 2010/11 that they had written to BP and Shell, banks, retailers, fund managers, their churches and MPs; organised local events; written for church newsletters; distributed the *Action Guide for Churches* and other ECCR materials; linked with NGOs and trade unions working on similar issues; and used our literature to inform investment and consumer decisions.

‘Great work which deserves all the publicity it can get!’ – *Individual member, on Action Guide for Churches*

ECCR once again had very positive **media and online coverage**. Our work featured in news items and articles published by the Baptist/Methodist/URC Joint Public Issues Team, *Better World Economics* (Quakers), Business & Human Rights Resource Centre, *Church Times*, Churches Together in England/Britain & Ireland, *Civil Society*, *Coracle* (Iona Community), *Dow Jones Financial News*, *Ecumenical News International*, *Ekklesia*, *The Friend*, Industrial Mission Association, *Independent Catholic News*, *Irish Times*, *Justice*, *JustPeace* (Pax Christi), *Methodist Recorder*, National Ethical Investment Week, *Responsible Investor*, St Paul's Institute, Shared Interest, *The Tablet*, Triodos Bank, *UKSIF What's New?*, *Vocation for Justice* (Columbans), and many others.

Finance

Donors: ECCR gratefully acknowledges grants and sponsorship from CCLA Investment Management, Christian Aid, Cordaid (Netherlands), Ethical Investors, the Allan & Nesta Ferguson Charitable Trust, the Methodist Church, the Missionary Society of St Columban, National Ethical Investment Week, the Polden-Puckham Charitable Foundation, the Joseph Rowntree Charitable Trust, St Patrick's Missionary Society (Ireland), the Souter Charitable Trust, Trócaire (Ireland), the United Reformed Church, and Worcester Diocesan Social Responsibility Fund, along with donations from individual members.

Income and expenditure: Income in 2010/11 totalled £89,736 (2009/10: £115,753), comprising grants and sponsorship £78,375, membership subscriptions and donations £11,044, interest and dividends £159, and publication sales £158. Expenditure totalled £100,911 (2009/10: £118,257), with £97,595 expended on direct charitable activities, and £3,316 on governance.

ECCR's financial year runs from 1 June to 31 May. This review gives only a provisional summary of ECCR's 2010/11 financial statements, which are subject to audit. ECCR's accounts are submitted to Companies House and the Charity Commission, published at www.eccr.org.uk, and obtainable on request.

Patron, Board, Treasurer and Secretariat

Patron: Rt Rev. Lord Harries of Pentregarth (former Bishop of Oxford).

Board: Bishop Doyé Agama (Apostolic Pastoral Association), Lee Coates OBE (Ethical Investors; Chair), Matt Crossman (Rathbone Greenbank; Company Secretary), Mark Cumming (Trócaire), Bishop Michael Doe*, Ian Halstead (L&P Financial Trustees), Victoria Heath (EIRIS), Stephen Hucklesby (Methodist Church), Patrick Hynes (Oikocredit), Janet Lynch (Religious Society of Friends), Fr Frank Nally (Society of St Columban), Sr Daphne Norden (Medical Mission Sisters), Rev. Daniel Otieno-Ndale (Baptist Union), Rev. Angela Overton-Benge (Industrial Mission Association), Rev. Raymond Singh (United Reformed Church; Vice Chair), Rev. David de Verny* (*left or joined during the year).

Treasurer: Derek O'Neill (L&P Financial Trustees).

Secretariat: Helen Boothroyd (Church & Membership Relations Officer), Suzanne Ismail (Researcher), Miles Litvinoff (Co-ordinator), Binia Nightingale (Finance & Administration Officer).

The Ecumenical Council for Corporate Responsibility is a church-based investor coalition and membership organisation working for economic justice, human rights and environmental sustainability.

Help us achieve more. Become a member. Donate.

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ECCR is a registered charity (No. 1139618), a company limited by guarantee in England & Wales (No. 2764183) and a Body in Association with Churches Together in Britain and Ireland.

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Text photos: p.7 Subaanen Ministry Midsalip (Philippines), p.8 Tbass Effendi/Flickr, p.10 St Paul's Institute.

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