

## **OPEN LETTER from Rights Action to Goldcorp Inc and Shareholders**

(Guatemala City, May 1, 2008)

**Contact:** Grahame Russell and Annie Bird, co-directors, [info@rightsaction.org](mailto:info@rightsaction.org) ([www.rightsaction.org](http://www.rightsaction.org))

\* \* \*

Dear Goldcorp Inc and Concerned Shareholders,

With respect to Goldcorp's announced "independent" Human Rights Impact Assessment (HRIA) of the company's mining operation in the indigenous highlands of Guatemala, Rights Action releases this letter to the company and its shareholders, particularly those groups that signed the April 24th Press Release (included in full below): PSAC Staff Pension Fund; SHARE; The Ethical Funds Company; Ethical Council; GES Investment Services and Dominique Ramirez, Sustainability Analyst.

[Rights Action ([www.rightsaction.org](http://www.rightsaction.org), an American and Canadian tax-charitable NGO with 15 years work experience in Guatemala and surrounding countries supporting and working on community development, environment and human rights projects) is an active participant in north-south education and activism concerning the environmental and economic harms and human rights violations caused by North American mining companies in Central America and southern Mexico.]

Rights Action is a supporter of shareholder education, initiatives and activism concerning the impacts of mining companies. However, we were shocked and saddened to read the Press Release of April 24th (included below), in which a number of investor groups in Goldcorp Inc. praise Goldcorp for agreeing to conduct an "independent" Human Rights Impact Assessment (HRIA) concerning the company's "Marlin" mine in the indigenous highlands of Guatemala.

While the original shareholder resolution may have been proposed with good intentions, we believe it will harm and undermine the clearly stated demands and positions of the Goldcorp-affected indigenous communities and may result in a whitewashing public relations exercise that only benefits Goldcorp and company shareholders and investors.

In this letter, we examine several key points raised in the April 24th Press Release in order to explain how we view the process as a fundamentally flawed process that undermines indigenous rights and that does not respect how independent human rights investigations can and ought to be carried out.

### **\*\*\* NEW REPORT – "Investing in Conflict"**

A further point to our critical assessment of the Press Release is that the harms and violations related to Goldcorp's Marlin Mine are similar to harms and violations that have occurred in Goldcorp operated mines throughout the Americas. Examining the Marlin Mine in isolation obscures the fact that the violations and harms in Guatemala appear to be standard practice within Goldcorp and the mining industry.

We urge readers to go to [http://www.rightsaction.org/Reports/Mining\\_Goldcorp\\_BW\\_042608.pdf](http://www.rightsaction.org/Reports/Mining_Goldcorp_BW_042608.pdf) and read a new report "Investing in Conflict" (April 2008, text by Dawn Paley, Mining Watch and Rights Action, edited by Sakura Saunders) that provides extensive information about Goldcorp's mining operations in many countries, including the "Marlin" mine in Guatemala and the "San Martin" mine in Honduras.

### **INDIGENOUS RIGHTS & CONSULTATION**

Earlier this year, your investor delegation met with indigenous communities in San Marcos whose communities, environment and human rights have been harmed by Goldcorp's open pit, cyanide leeching mine, and who are working extremely hard to put an end to further harms and violations.

We do not doubt that you heard about one of the most important issues surrounding Goldcorp's Marlin mine: indigenous rights and consultation. Despite Guatemala's ratification of Covenant 169 on the Rights of Indigenous and Tribal Peoples in Independent Countries, there has been no adequate consultation carried out prior to the granting of mining concessions or the construction of the mine. In this context, Goldcorp's construction and operation of the Marlin mine was and is a violation of indigenous rights.

Consultation and informed consent are first and foremost. Most of the indigenous communities in the affected municipalities of Sipakapa and San Miguel Ixtahuacan did not want the mine. Instead of being properly consulted, in an open transparent process, in families in San Miguel Ixtahuacan were, in many cases, harassed and pressured into selling their lands to the mining company and its related agents. It is most likely that many of these "sales" were illegal.

Before Goldcorp began operating the Marlin Mine, the indigenous Sipakapense communities of Sipakapa organized their own community-led legal consultation process, a true "benchmark" in Latin America. Eleven of 13 communities rejected all mining activities in their territory, a decision that has since been repeated in over a dozen other indigenous municipalities in Guatemala that are facing mining concessions, many possessed by Goldcorp.

In purportedly supporting local communities affected by the Marlin mine, it is remarkable that your delegation of investors proposed a shareholder resolution without consulting these same indigenous communities. In this regard, the process you have followed differs little from that of Goldcorp.

You state in your press release that "Goldcorp is behaving responsibly and responding to local concerns raised by local stakeholders in Guatemala." Firstly, how can you arrive at this conclusion when you have not consulted with them?

Secondly, how can you arrive at this conclusion before this so-called "independent" assessment is done (which, as stated, we believe is a flawed process and investigation)?

Moreover, you arrive at this conclusion in the face of the already well-documented environmental harms and human rights violations caused by this and other Goldcorp mining operations. Read: Investing in Conflict, [http://www.rightsaction.org/Reports/Mining\\_Goldcorp\\_BW\\_042608.pdf](http://www.rightsaction.org/Reports/Mining_Goldcorp_BW_042608.pdf)

Nor does your press release even mention the two murders related to the mine – of Raul Castro Bocel in Solola on January 11, 2005, and of Alvaro Benigno Sanchez by a security guard contracted by the mining company on March 13, 2005.

Considering that you did not consult with the local indigenous communities before writing the shareholder resolution and proposal for the HRIA, and you did not address some of their main concerns, it is not appropriate to publicly praise Goldcorp for "addressing community concerns" and "responding to local concerns raised by local stakeholders in Guatemala."

#### **"STAKEHOLDERS"**

We address also your use of the term 'stakeholders' in your press release. 'Stakeholder' is a term used by many industries, governments and international institutions in order to advance the often misleading notion that all parties are equally involved.

We see two distinct groups that are often in conflict with each other. On the one hand there are local communities whose lives and lands are directly affected; in this case, they are the indigenous communities of Sipakapa and San Miguel Ixtahuacan suffering the multiple negative impacts of the Marlin mine.

On the other hand, there are the companies and shareholders "stakeholders" who benefit; in this case, Goldcorp and shareholders such as those of you (the signers of the Press Release that have investments in Goldcorp), the Canada Pension Plan (and, by extension, the tax-paying Canadian public), plus many more.

### **THE "INDEPENDENCE" OF THE 'HRIA'**

Another reaction we have to the press release concerns the "independence" of the Human Rights Impact Assessment. As far as can be determined from the press release and from the fact that the affected indigenous communities were not consulted about this proposal, there is nothing independent about this Assessment plan. It appears that Goldcorp accepted the proposal and is controlling the entire process.

One could ask: What if the United Nations' 1999 Guatemalan Truth Commission and other human rights investigations into the human rights abuses committed principally by the Guatemalan military, had been planned, paid for and carried out by the Guatemalan military? You seem to be endorsing and praising a HRIA in which Goldcorp carries out and controls an assessment of the human rights impact of Goldcorp!

### **"SETTING A STANDARD"**

The press release refers to your "hope that the assessment will become a benchmark for mining companies." Bill Brassington of the PSAC Staff Pension Fund is quoted as saying that "Goldcorp is behaving responsibly" and that the company is "also setting a standard for others in the mining industry – for which they should be commended."

If Goldcorp is setting a standard for the mining industry, then 'worst practices' are being commended. Goldcorp mines throughout the Americas have been and are currently being denounced for a wide range of serious human rights, cultural, social, and environmental abuses: See "Investing in Conflict".

### **"EXTREMELY VULNERABLE" COUNTRIES**

Another element in your press release that we wish to discuss and challenge is the notion of 'high risk countries' and areas. Helene Regnell, Research Director of GES Investment Services, is quoted in the press release: "The outcome of this process could set a precedent for the entire industry and is crucial for Guatemala... the country is extremely vulnerable."

This notion of high risk countries, much like 'failed States,' is a demeaning phrase and serves as a justification for foreign interventions – whether by the IMF and World Bank, whether by global mining companies and investors or in some cases by the U.S. Marines.

There is a long and violent history of foreign economic, political and military intervention in Guatemala, including the active participation of Canadian mining corporations (particularly INCO Nickel Company) in the drafting of mining legislation in tandem with the Guatemalan military dictatorships of the 1970s and 80s, human rights abuses and forced evictions of indigenous communities.

The notion of "extremely vulnerable" countries also negates the very serious parallel human rights abuses being carried out by these same mining corporations within the home countries of the companies (investors and shareholders). Goldcorp is involved in controversial mining in contested and contaminated Western Shoshone territory, in the clean-up of major contamination at Goldcorp mines in the United States, and in indigenous rights violations related to its mines in Canada. Again, we encourage people to read "Investing in Conflict".

The reason there are human rights abuses linked to the Marlin mine has as much to do with Goldcorp and how the global mining industry operates with effective impunity in many countries across the

planet, as with “extremely vulnerable” Guatemala.

## **THE PURPOSE OF THE REPORT**

The press release states that the “intention of the assessment is to provide the company with concrete recommendations regarding its implementation of practices, policies and procedures, and the impact of its operations on human rights.”

Firstly, it confuses us as to how this Assessment (fundamentally flawed, in our opinion, as we argue above) is being announced and heralded, even as the activity in question – the open pit, cyanide leeching gold mining – continues. At a bare minimum, the activity in question – the mining – should be suspended so that a proper investigation into the environmental and economic harms and human rights violations could be properly carried out.

Moreover, the communities of Sipakapa and San Miguel Ixtahuacan are the authorities on the impact of Goldcorp's operation on the environment and human rights; they live these impacts every day.

Again, it is unacceptable that the affected indigenous communities themselves were not consulted about the shareholder resolution and the ensuing HRIA.

The communities themselves have made clear and authoritative recommendations regarding the problems associated with mining. For many of the communities, this would begin with the implementation of the results of the community-led consultations in Sipakapa, in which the vast majority of indigenous inhabitants rejected all mining activity in their territory.

\* \* \*

As we stated at the outset, Rights Action promotes and engages in critical north-south education and activism with respect to accountability for harms and violations caused by their mining. We feel strongly, however, that your initiative demonstrates disrespect for the Goldcorp-affected Sipakapense and Mam communities of Sipakapa and San Miguel Ixtahuacan.

Your praise of Goldcorp's actions amounts to a public relations exercise for the company, undermining the clearly stated positions of the local communities.

Rights Action - speaking for ourselves, not for the affected communities - believes a truly independent human rights commission, established with full input from, agreement by and participation of the affected communities, might be a important exercise, and we would be more than willing to share our ideas as to what this might look like, but it look nothing like this so-called “independent” Assessment.

Based on the above, we ask you to publicly tell the company that you are no longer endorsing this HRIA.

We look forward to your response to our concerns and to hope to engage in a critical discussion about this process.

Sincerely,

Annie Bird and Grahame Russell, co-directors  
Rights Action, [www.rightsaction.org](http://www.rightsaction.org)  
[info@rightsaction.org](mailto:info@rightsaction.org)

(Thank-you to Sandra Cuffe, who worked for many years with Rights Action in Central America, for her work on this letter.)

===

Press release by PSAC, Ethical Funds, Share, GES Investment Services, Ethical Council

For Immediate Release

Vancouver, Toronto and Stockholm

April 24, 2008

Investors spur Goldcorp to address human rights in Guatemala

In an unprecedented move Canadian mining firm Goldcorp Inc. has agreed to conduct an independent Human Rights Impact Assessment in Guatemala at the request of Canadian and Swedish shareholders. The company has faced criticism regarding the environmental and human rights impacts of its mining operations. The shareholders hope that the assessment will become a benchmark for mining companies operating in high risk countries. The agreement was announced in a statement today.

The statement reads: The Public Service Alliance of Canada (PSAC) Staff Pension Fund, The Ethical Funds Company, The First Swedish National Pension Fund and The Fourth Swedish National Pension Fund, have reached an agreement with Goldcorp Inc. and have withdrawn a shareholder resolution submitted to the company in March.

Goldcorp Inc. has agreed to commission an independent human rights impact assessment of its operations in Guatemala.

The intention of the assessment is to provide the company with concrete recommendations regarding its implementation of practices, policies and procedures, and the impact of its operations on human rights. A steering committee is being formed to oversee the assessment process and will include representatives from the company, shareholders and other stakeholders. Shareholders expect the assessment to be completed in the next 8-12 months, at which time the company will develop a plan for implementing recommendations of the assessment.

A group of investors has been in dialogue with the company for more than two years, and stepped up engagement efforts in February by conducting a field trip to Goldcorp's Marlin mine in Guatemala. The group met with NGOs, indigenous people, government authorities and company representatives in order to get a clearer picture of the complex situation. The trip culminated in a shareholder resolution submitted to the company.

By taking on a Human Rights Impact Assessment (HRIA), Goldcorp is behaving responsibly and responding to the concerns raised by local stakeholders in Guatemala. Goldcorp is also setting a standard for others in the mining industry - for which they should be commended, said Bill Brassington of the PSAC Staff Pension Fund, who will represent the investor group in the HRIA steering committee.

Mining corporations are increasingly operating in high risk areas - both in terms of culture and environment and they need to address these risks in a way that satisfies local stakeholders, as well as investors, said Peter Chapman, Executive Director of the Shareholder Association for Research and Education (SHARE) which is providing research and engagement assistance to the PSAC and Meritas Mutual Funds.

Business recognition of human rights obligations is relatively new said Robert Walker, Vice President of Sustainability at The Ethical Funds Company. And human rights impact assessment is a relatively new concept for promoting human rights. We laud Goldcorp for embracing this tool as a foundation for

protecting human rights and addressing community concerns in Guatemala. We look forward to reviewing the results.

The outcome of this process could set a precedent for the entire industry and is crucial for Guatemala, since the mining industry has rapidly expanded there. However, after ending 36 years of civil war, the country is extremely vulnerable. Therefore, mining companies and others have a responsibility to make sure their business operations are sustainable over the long-term, and respect the Maya culture, said Helene Regnell, Research Director of GES Investment Services, an advisor to the filing First and Fourth Swedish National Pension Funds as well as the Second and Third Swedish National Pension Funds who supported the resolution through their collaborative body, the Ethical Council.

For further information, please contact:

Bill Brassington, PSAC Staff Pension Fund; Phone: +1 604-298-6301; Email: [brassrouts@telus.net](mailto:brassrouts@telus.net)

Peter Chapman, Executive Director, SHARE; Phone: +1 604-408-2456; Email: [pchapman@share.ca](mailto:pchapman@share.ca)  
<<mailto:pchapman@share.ca>

Robert Walker, Vice President, Sustainability, The Ethical Funds Company, Phone: +1 604-714-3833; Mobile: +1 778-772-2142; Fax: +1 604-714-3861; Email: [walker@ethicalfunds.com](mailto:walker@ethicalfunds.com)

Carl Rosen, Chairman, Ethical Council; Phone: +46 31 704 29 00; Mobile: +46 73 940 10 10; [carl.rosen@ap2.se](mailto:carl.rosen@ap2.se)

Helene Regnell, Research Director, GES Investment Services, Phone: +46 8 787 99 17; Mobile: +46 70 787 01 04; Email: [helene.regnell@ges-invest.com](mailto:helene.regnell@ges-invest.com)

Dominique Ramirez, Sustainability Analyst, t: 604.742.8238 f: 604.714.3861

The Ethical Funds Company, [www.ethicalfunds.com](http://www.ethicalfunds.com) <<http://www.ethicalfunds.com/>>

\* \* \*

## WHAT TO DO

Please re-distribute this Open Letter all around. For more information: Grahame Russell and Annie Bird ([info@rightsaction.org](mailto:info@rightsaction.org)).

“Investing in Conflict”: [http://www.rightsaction.org/Reports/Mining\\_Goldcorp\\_BW\\_042608.pdf](http://www.rightsaction.org/Reports/Mining_Goldcorp_BW_042608.pdf)

## EDUCATION AND ACTIVISM – GOLDCORP Inc. Annual Shareholder’s Meeting

Before and on May 20th, in Toronto, Canada, and Guatemala City, Rights Action – along with other groups in North America, Honduras and Guatemala, will be planning and carrying out education and activist events related to the environmental harms, destruction of local economies, and human rights violations caused directly or indirectly by Goldcorp's mining operations. For more information and to get involved: [info@rightsaction.org](mailto:info@rightsaction.org).

**EDUCATIONAL DELEGATION - From July 7-12**, Rights Action is leading an educational delegation to Honduras to learn about community-based resistance to the environmental and economic harms and human rights violations caused by Goldcorp Inc's open pit, cyanide leaching mine; to learn about the territorial and human rights struggles of Indigenous/Garifuna peoples. If interested: [info@rightsaction.org](mailto:info@rightsaction.org).