

Investing
for
**human
rights**



LIBERTÉS
SOLIDARITÉ

fidh

FIDH (International Federation for Human Rights) was founded in 1922 and today brings together 178 human rights organisations in 117 countries.



Libertés & Solidarité is unique among socially responsible investment funds in France. It was created by FIDH in July 2001 with the backing of *La Banque Postale*, *Caisse des dépôts*, and *Macif*. It allows private and institutional investors to combine both ethics and solidarity, through the inclusion of human rights criteria in stock selection, and a profit-sharing mechanism between FIDH and subscribers.

Libertés & Solidarité maintains strong financial performance whilst supporting the human rights activities of FIDH and its member organisations, encouraging governments to actively promote human rights and businesses to adopt socially responsible behaviours. This unique approach is paving the way for a new type of philanthropy.

A RIGOROUS AND COHERENT SELECTION PROCESS

FIDH has produced specific methodology for **the evaluation of States and companies**. Through **Libertés & Solidarité** it is building an investment universe that uses criteria that focus on human rights. Investments are composed of approximately two-thirds government bonds and one third shares and private bonds.

“Through Libertés & Solidarité, FIDH encourages companies to behave responsibly. Together with other investors such as northern European pension funds, we contribute to the inclusion of environmental and social standards in business decisions.”

KARIM LAHIDJI
FIDH President



STATES

Nowhere else are State bonds – central to portfolio management – systematically assessed with regard to the obligations of their issuers to respect, protect and promote human rights, both nationally and internationally. In 2001, FIDH designed a methodology founded on qualitative and quantitative criteria comparable

between countries. Every two years, States are evaluated using indicators that are updated to reflect the most recent international laws and relevant sources of information. In 2007, FIDH decided to focus on EU Member States since data on these countries was available and comparable.

Selected criteria include:

- Corruption and governance;
- Social cohesion/economic and social rights;
- Judicial system;
- Freedom of speech and the right to information;
- Protection of the environment;
- Gender equality;
- The fight against discrimination;
- Migrants' rights;
- International justice.

COUNTRIES WITH THE HIGHEST RANKINGS IN 2014 % des obligations souveraines en portefeuille

The percentage of government bonds that the asset manager includes in the portfolio is based on this country ranking system. Countries rated between 1 and 5 issue 50% of the fund's bonds, while countries rated 6 to 10 and 11 to 15 issue 30% and 20% respectively.

- 50%**
1. Sweden
 2. Finland
 3. Denmark
 4. Slovenia
 5. France

- 30%**
6. Austria
 7. Netherlands
 8. Ireland
 9. Germany
 10. Luxembourg

- 20%**
11. Estonia
 12. Lithuania
 13. United Kingdom
 14. Spain
 15. Slovakia

BUSINESS ENTERPRISES

Under UN and OECD principles and guidelines, business enterprises must establish procedures to identify, prevent, mitigate, and where necessary, remedy the negative impacts of their activities on human rights. Are these procedures adapted to the specific challenges and human rights issues of the activities to which they are applied? What is the true outcome of such processes on those affected by adverse impacts?

For each sector of activity, FIDH defines key human rights criteria, with a special focus on vulnerable groups. These criteria may, for instance, include working conditions, non-discrimination, freedom of association, the right to health or the rights of indigenous peoples.

“Our unique experience in the field of human rights enables us to design and apply a methodology that is adapted to the human rights challenges in each sector and to formulate relevant expectations to businesses.”

GENEVIÈVE PAUL
Director of FIDH's Globalisation and Human Rights Programme.

The arms and nuclear energy sectors are excluded from the investment universe, as well as companies that participate in or benefit from economic activities carried out in Israeli settlements in the Occupied Palestinian Territory (OPT).

FIDH regularly engages in dialogue with companies both before and after they are integrated into the investment universe. It specifically reserves the right to exclude, in collaboration with its independent Ethics Committee, any company involved in controversial activities, on the basis of reliable and verified information.

A PROFESSIONAL AND INDEPENDENT APPROACH



Since the creation of **Libertés & Solidarité**, FIDH has worked with skilled and reliable partners. It has set up a committee of independent experts, researchers, sustainable development managers, trade unionists, and journalists to examine investment criteria, conduct multi-disciplinary analyses of various sectors of activity, and assess the eligibility of enterprises for integration into the investment universe. These assessments are based on information available exclusively to FIDH and its member organisations, as well as public data and data provided by non-financial rating agencies.

La Banque Postale Asset Management (LBPAM), which manages Libertés & Solidarité, is a reputed financial institution in France, managing assets worth 147 billion euros at the end of June 2014.

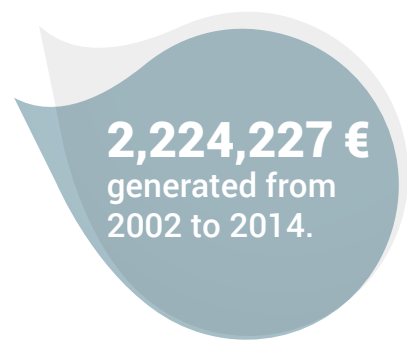
“Drawing on its many years of experience in serving the public interest, La Poste and La Banque Postale naturally decided to work with FIDH in the creation of Libertés & Solidarité in 2001. This fund, based on ethics and solidarity, allows investors to support FIDH and simultaneously benefit from the careful and skilled management of the fund.”

MARTIN VIAL
Chairman of the Board of Directors of Libertés & Solidarité, former President of La Poste (2000-2002).

A PRECIOUS SOURCE OF FUNDING

La Poste, Caisse des dépôts and Macif, co-founders of Libertés & Solidarité with FIDH, invested over 9 million euros in the fund in 2001. Holdings in the mutual fund (19 million euros at end June 2014) are managed and commercialised by *La Banque Postale* for its customers, are composed of private investors and business enterprises.

Thanks to its performance-sharing mechanism, whereby half of the distributed revenue is donated to FIDH, **Libertés & Solidarité** has become a valuable source of funding for FIDH. It provides flexible funding that contributes to FIDH's financial independence and provides resources for emergency actions.



HOW IS YOUR MONEY USED?

Your donations enable FIDH to achieve many victories, including:

CHILE

FIDH has obtained recognition of the rights of Mapuche indigenous communities

On 29 July 2014, the Inter-American Court of Human Rights recognised the illegality of criminalising demonstrations organised by Mapuche communities in Chile to defend their ancestral lands, which are threatened by plans to expand forest exploitation. This historic decision sets an important precedent for the defence of indigenous peoples' rights.

This case saw FIDH defend five Mapuche representatives who in 2002 and 2003 had been sentenced to lengthy prison terms for acts of terrorism. FIDH managed to secure the acquittal of these individuals on the grounds that their convictions were arbitrary and discriminatory.

BÉLARUS

"Your support led to my freedom"

Ales Bialiatski, an eminent human rights defender, president of the human rights organisation Viasna in Belarus and vice-president of FIDH was released after three years in a Belarusian prison on 21 June 2014. Ales Bialiatski had been arrested on 4 August 2011 and sentenced to four and a half years in a hard labour camp on trumped-up charges of "large-scale tax evasion".

Immediately after his arrest, FIDH launched an international campaign to free its vice-president.

Freedom for
Ales Bialiatski
FIDH Vice-President
President of "Viasna" in Belarus
fidh
freeales.fidh.net

LINKING PROFITABILITY, ETHICS AND SOLIDARITY

Libertés & Solidarité has performed steadily with an optimized combination of risk-yield.

→ In 2014, the French financial review *Le Revenu* awarded Libertés & Solidarité the **golden trophy** for best diversified fund over the last 3 years and over the last ten years.

→ Each year since 2006, Libertés & Solidarité has received the **Finansol** label which distinguishes savings products for their solidarity mechanism, taking into account transparency and information disclosure criteria.

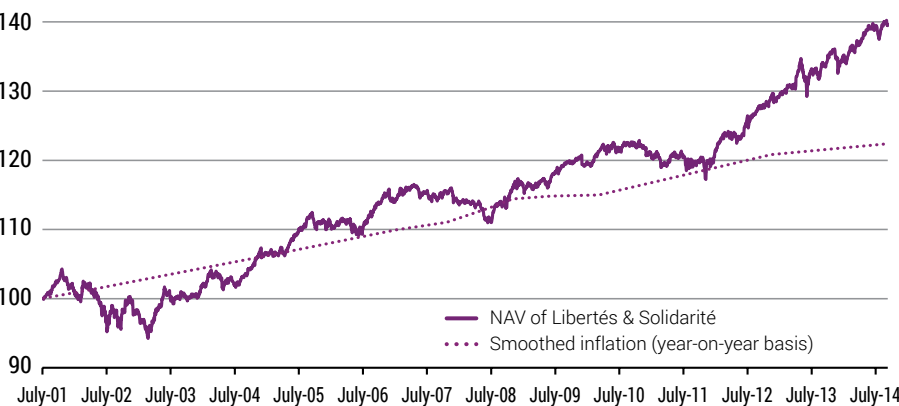
→ Since 2010, Libertés & Solidarité has qualified for Europe's leading **Socially Responsible Investment (SRI)** label, awarded by **Novethic**. This label is an investor guarantee for the quality of SRI management, as well as maximum transparency. It also requires the publication of the investment portfolio's composition.



The composition of the Libertés & Solidarité portfolio is available on the LBPAM website.

DEVELOPMENT OF THE NET ASSET VALUE
(excluding dividend and tax deduction)

**Past performance is not a prediction for future performance. It is advisable to hold the investment for at least four years.*



INVEST FOR HUMAN RIGHTS

- **Libertés & Solidarité** was created to enable FIDH to offer investors an innovative tool to join it in supporting the defence and promotion of human rights.
- By choosing **Libertés & Solidarité** you join FIDH in supporting human rights defenders, fighting against impunity, and promoting the realization of human rights for all.
- By choosing **Libertés & Solidarité** you support FIDH's approach of creating dialogue with businesses and promoting human rights in business decisions.

Private investors in Libertés & Solidarité donate half of their profits to **FIDH** (the other half being capitalised to their benefit). They therefore benefit from a tax deduction under the rules applied to non-profit organisations*.

This fund is an excellent product to diversify any financial portfolio.

“The political, economic and ecological crises that we are experiencing today can only be overcome by placing human rights at the heart of all our decisions. Ensuring the protection of civil and political rights, as well as the rights to health, education, and an adequate standard of living are prerequisites to the free development of all persons in peaceful societies.”

DEBBIE STOTHARD
FIDH Secretary General,
Coordinator of ALTASEAN Burma

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* FIDH is an officially recognised non-profit organisation. A donation to FIDH is eligible for a tax deduction of 66% of the amount donated, limited to 20% of taxable income. This applies only to those taxpayers with tax payable in France.



HOW TO INVEST

Contact: libsol@fidh.org

MORE INFORMATION

www.fidh.org

To subscribe to the Libertés & Solidarité newsletter, contact: libsol@fidh.org





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