

Digging in the shadows

Eastern Europe and Central Asia's opaque extractives industry

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Aims of the Project

“Business enterprises should respect human rights. This means that they should **avoid infringing on the human rights** of others and should address adverse human rights impacts with which they are involved.”



Research & Methodology

- Adapting Corporate Human Rights Benchmark methodology
 - Focuses on companies' policies, processes, practices, as well as how they respond to serious allegations
 - Relies on public information disclosed by companies
- Access to information as a major issue in Eastern Europe & Central Asia
- Questionnaire – poor response rate
- Company profiles

30 companies

in **Armenia, Georgia, and Kazakhstan**



8 companies

no information on HR performance

22 companies

issues around access to information

Findings

167 human rights issues were noted across all 30 companies:



Armenia

Georgia

Kazakhstan



25/30

companies faced environmental and water rights allegations



22/30

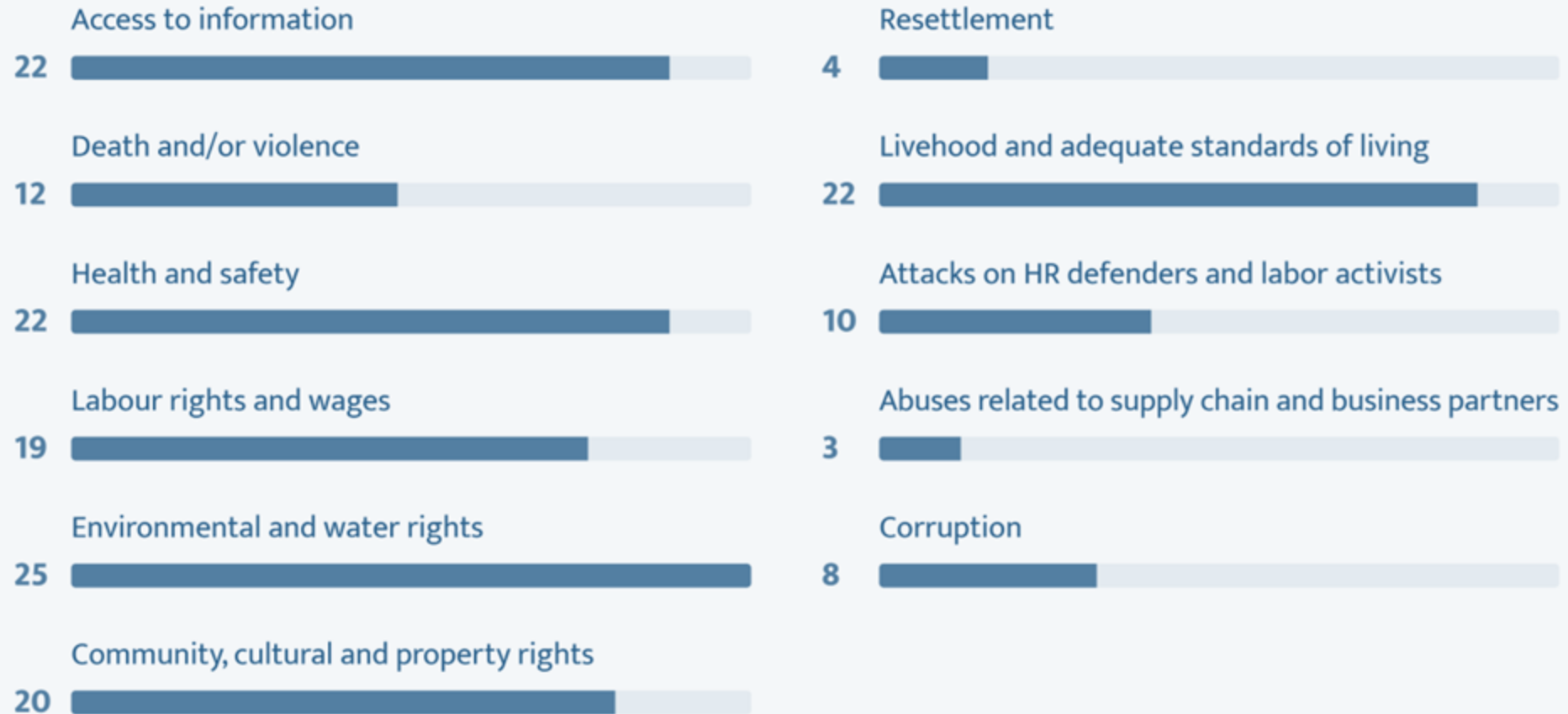
companies faced issues related to: access to information; health and safety; and livelihood and adequate standard of living



20/30

companies faced community, cultural, and property rights related allegations

NUMBER OF COMPANIES FACING ALLEGATIONS BY ISSUE



Deaths and violence



Deaths arising from company negligence, unsafe working conditions or employee and police violence are among the most severe human rights abuses related to company activities in Georgia, Armenia and Kazakhstan

Attacks on human rights defenders



Activists and defenders opposing business operations can face severe threats and intimidation, judicial harassment and physical attacks

Health and safety



Almost all the top extractives companies in Kazakhstan and Armenia face allegations of health and safety issues putting workers and local residents at risk

Right to livelihood and standard of living



Pollution from extractives projects can have severe negative impacts on agriculture, fishing and livestock industries, leaving entire populations without work

Access to information



Restricted access to information related to business as a result of powerful political interests, poor regulation and oversight, corruption and the "corporate veil" poses significant barriers to corporate accountability

Policies vs. Performance

100% OF COMPANIES WITH HUMAN RIGHTS POLICIES FACED ALLEGATIONS OF ABUSE



NUMBER OF COMPANIES WITH A HUMAN RIGHTS POLICY, BY COUNTRY:

- 4 Armenia
- 5 Georgia
- 10 Kazakhstan

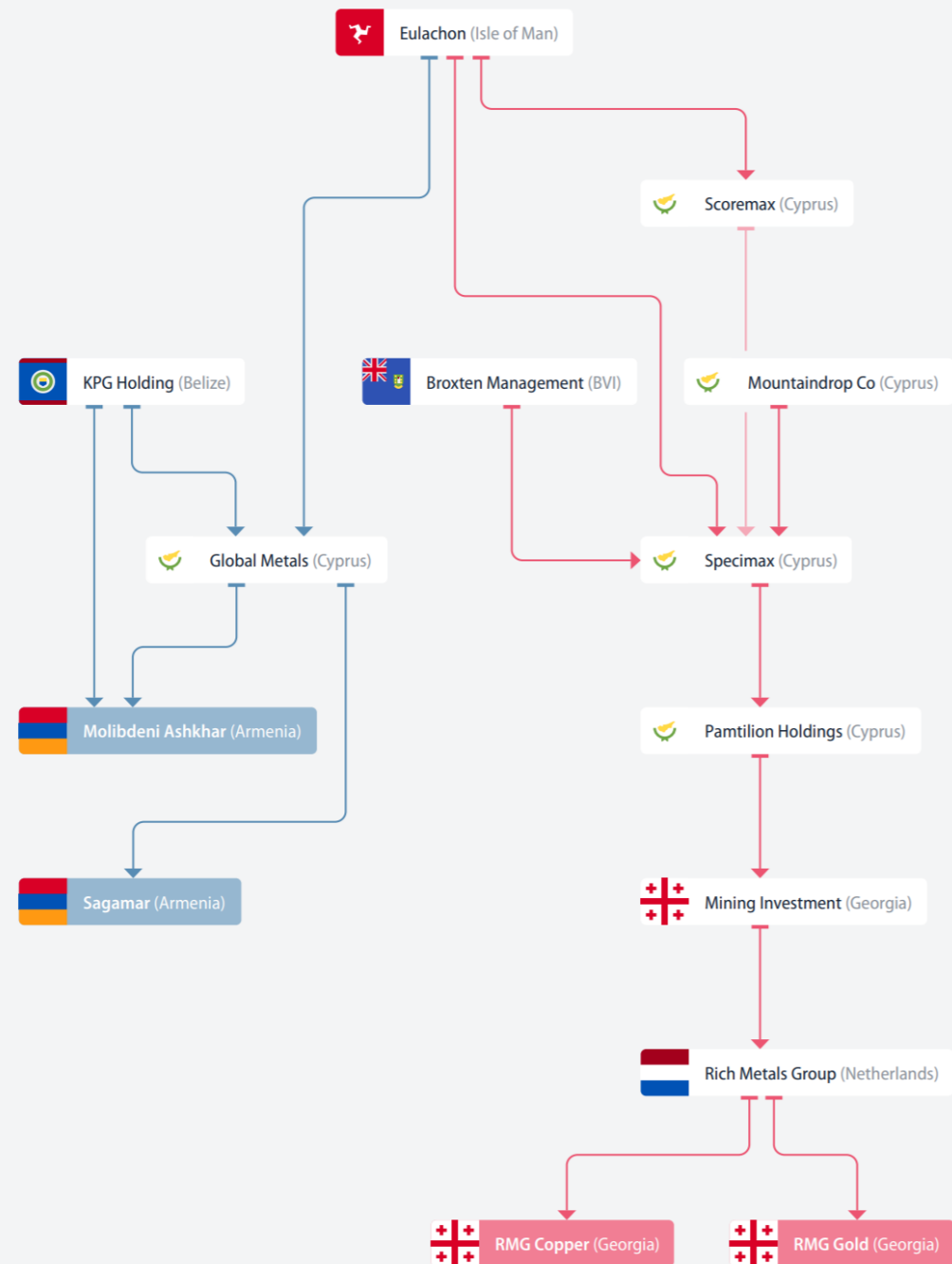
Companies based in Western Europe, Canada, and the U.S. **hold ownership or significant shares in**

16 companies



Western Ownership & Investment

- At least 12 of the 30 companies have been supported by U.S.- and Europe-based investors such as the European Bank for Reconstruction and Development, the International Finance Corporation, and the World Bank Group
- Companies based in Western Europe, Canada, and the U.S. hold ownership or significant shares in 16 of the 30 companies



Recommendations for investors

- Set meaningful human rights due diligence requirements
- Strengthen public participation requirements and monitor their implementation
- Investigate and respond to community complaints in a timely manner
- Ensure early and timely access to information for affected rights-holders
- Evaluate communities' ability to access remedy should rights abuses occur
- Take a strong stand against reprisal of community members and human rights activists
- Pay particular attention to corruption and bribery risks

Learn More

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