



Dear Johann Strobl – Raiffeisen Bank,

Greetings. We are writing from the Business & Human Rights Resource Centre to invite Raiffeisen Bank to respond to the findings of our recent report, 'Digging in the Shadows'. We are writing to express concern regarding the human rights impacts of a number of your investments in Eastern Europe and Central Asia.

'Digging in the Shadows' examined the human rights policies and performance of the 10 largest extractives companies in Armenia, Georgia and Kazakhstan. The report found grave abuses related to many of these companies, including those receiving foreign investment. You can find our investor summary [here](#) and key findings [here](#).

According to our findings, Raiffeisen Bank investments have been linked to allegations of severe abuse, including toxic emissions, retaliation against workers and labour activists, and torture and abuse of protestors.

Raiffeisen Bank's code of conduct states, "We strive to neither directly nor indirectly finance any transactions, projects or parties, nor cooperate with any business partner (including customers, service providers and suppliers) that do not adhere to [human rights] standards or are suspected of human rights violations." Environmental and social sustainability are also emphasized throughout the bank's lending/credit policy and code of conduct. However, evaluations of Raiffeisen Bank's projects in the region stand in stark contrast to these policies.

We believe that it is important to give companies and investors the opportunity to respond when concerns are raised about their operations, so that our readers have access to their perspective. We would like to publish your response alongside this letter, and kindly ask for your response by **5:00pm CET, Friday 10 December 2021**.

Notable Rights Allegations Related to Raiffeisen Bank Investments

- **KazMunaiGas:** KMG directly owns or has significant shares in nine out of the ten largest oil companies in Kazakhstan. Major allegations against KMG-related companies include: the mass poisoning of children in Berezovka (Karachaganak Petroleum Operating); hundreds of deaths and thousands of illnesses related to Tengiz oil field (Tengizchevroil); risks that tens of thousands of residents in Atyrau could be exposed to mass poisoning (North Caspian Operating Company); criminal charges against labour activists (Mangistaumunaigaz); violations of union rights and retaliation against protesting workers (Karazhanbasmunai); and severe contamination of the environment (Kazgermunai). KMG subsidiaries were also at the centre of the violent events at Zhanaozen in 2011, which resulted in up to 64 deaths and 400 injuries. (However, Kazakhstani authorities claim the fatalities were much lower, just 15.) Protestors went on trial for their participation in the strikes against KMG subsidiaries; most of them asserted that they had been tortured or abused while in detention. Witnesses were allegedly coerced, threatened and tortured into giving false testimony against the striking workers. KMG and its related companies have been accused of corruption multiple times. [You can see the sources for the above allegations within the company profile.](#)

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We asked KazMunaiGas and the other companies noted above to respond to the allegations and provide information on their human rights policies. North Caspian Operating Company [submitted answers about its policies](#), and Karachaganak Petroleum Operating [responded to the allegations](#). KazMunaiGas and its other subsidiaries did not respond.

While Raiffeisen Bank's sustainability policies are welcome and have promise, continued investment in the above projects demonstrates that the bank should do more to ensure these policies are implemented in practice.

Investors like Raiffeisen Bank play a critical role in ensuring business projects in Eastern Europe and Central Asia do not infringe on human rights or contribute to severe environmental destruction. Many governments in this region, including those of Armenia, Georgia and Kazakhstan, have failed to address human rights issues, or are unable or unwilling to do so. In many cases, government officials have ownership or significant interest in business projects like those above, making it difficult or impossible to seek justice from the state. When states fail to protect, and businesses fail to respect, communities look desperately to investors for assistance and intervention.

In light of this, the Business & Human Rights Resource Centre has issued a few [preliminary recommendations](#) on responsible investment in the region, based on engagement with activists monitoring these extractives projects. Notably, these recommendations focus on public participation, due diligence, and grievance mechanisms. Early and timely access to information for affected rights-holders is also a key issue. Access to information is critical for preventing and addressing human rights impacts, as well as securing access to remedy for those who have been adversely impacted by extractives projects. However, such access to information is poor in the region as a whole, meaning investors should pay particular attention to this topic when making investments.

About the Resource Centre

The [Business & Human Rights Resource Centre](#) is an independent non-profit organization that tracks the human rights impacts of over 10,000 companies, including [Raiffeisen Bank](#), in over 180 countries. With an audience of more than 2 million users per year, our digital platform links to reports about positive initiatives by companies as well as reports about concerns that have been raised by civil society. For further details, please see the ["About us" section](#) of our website.

Invitation to Respond

While socioeconomic development is greatly needed in the region and can play a critical role in the achievement of human rights, growth without human rights due diligence and remedy undermines the stated purpose of development: to improve the lives and well-being of the individuals and communities within a society.

We are encouraged by Raiffeisen Bank's public commitments to human rights and sustainability, and believe in the bank's potential role to ensure human rights are protected. We invite Raiffeisen Bank to respond by **5:00pm CET, Friday 10 December 2021**. Please notify us if you need additional time.

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Researchers based in Australia, Brazil, Cambodia, China, Colombia, Germany, India, Jordan, Kenya, Mexico, Philippines, Senegal, South Africa, Tunisia, Ukraine, United Kingdom, United States



We hope to publish your response along with this letter. We are also inviting the other investors mentioned in the report to respond.

- Format: PDF, word document, or web link
- Must clearly indicate the date
- If Raiffeisen Bank has already taken action with regards to any or all of the allegations, please feel free to include that in your response.

If Raiffeisen Bank does not provide a response, we will indicate in the Weekly Update that we invited Raiffeisen Bank to respond, but that it did not. Your response or non-response will be permanently registered in all relevant sections of our website.

Please do not hesitate to get in touch if you require any further information – we can be reached by email or telephone (see contact details below).

Kind regards,

Ella Skybenko (Eastern Europe/Central Asia Senior Researcher & Representative based in Kyiv) & Ashley Nancy Reynolds (Eastern Europe/Central Asia Research Assistant based in Croatia)
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Business & Human Rights Resource Centre

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Dear Ms Reynolds,

Thank you for your emails dated November 29 and December 6, 2021. Please be informed that Raiffeisen Bank International Group (RBI) is bound by strict banking secrecy rules and subject to confidentiality arrangements which do not permit disclosures of customer relations and/or customer related facts.

Apart from that, RBI - according to the principles of RBI Group Code of Conduct Point 2.6.2 (see www.rbinternational.com/codeofconduct) - respects and supports the protection of human rights stipulated in the European Convention on Human Rights. RBI aims to engage into business, which is in line with these principles. RBI strives to neither directly nor indirectly finance any transactions, projects or parties, nor cooperate with any business partner (including customers, service providers and suppliers) that do not adhere to these standards or are suspected of human rights violations. Therefore, RBI takes into consideration the potential exposure to human rights concerns in its due diligence processes (e.g. the adverse media check) and business decisions.

May we finally ask you, to which “investment of Raiffeisen bank” you are referring to specifically?

Kind regards,

[Raiffeisen]

Good morning,

The below sentence¹ refers to the allegations relating to KazMunaiGas’ various subsidiaries and operations.

We will include the information you have provided below. While the deadline to respond has passed, if Raiffeisen has any additional comments, we are happy to include them on our site at a later date.

Kind regards,



Ashley Nancy Reynolds

Research Assistant, Eastern Europe & Central Asia

[Business & Human Rights Resource Centre](#)

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¹ In the email chain, Raiffeisen highlighted a sentence from the initial letter referring to human rights allegations related to investments. The letter then briefly outlined the allegations related to KazMunaiGas.