

EBRD would like to take this opportunity to respond to the Business and Human Rights Report both from a general E&S governance viewpoint and to provide some clarifications on the specific projects mentioned in the report. There are specific allegations made which do not reflect EBRD's involvement or experience of the Projects discussed, as clarified below.

### Projects cited in the report

EBRD would like to offer the following clarifications with regard to the projects cited in the report:

- **Zangezur Copper Molybdenum Combine (Armenia):** EBRD has participated in a Bond raised by ZCMC, the proceeds of which are to finance environmental improvements at the mine. EBRD is in no way linked to mining operations or the historical legacy issues such as tailings management cited in the report. However, an E&S Action Plan was included in EBRD's participation agreement and an improvement in E&S standards at the mine is being realised.
- **Georgian Oil and Gas Corporation (Georgia):** EBRD provided a corporate loan to GOGC under the critical infrastructure programme as part of the covid-19 emergency response which was essential to the national strategies of Georgia during the early stages of the pandemic. EBRD is not involved with the upstream gas supply from Azerbaijan which is cited as the primary concern in this project. The link to EBRD here is therefore tenuous. Through EBRD's involvement with GOGC (in Georgia) the standard of E&S governance has increased significantly, including reviewing all operating assets against EU BAT.
- **KavkazCement (Georgia):** An EBRD, EU and Austrian credit line from 2015 was partially distributed by a financial intermediary in Tbilisi to make energy and resource efficiency improvements at the KC manufacturing site in Georgia. The efficiency improvements have reduced energy consumption by 40%, leading to 2,240 tonnes of CO2 emissions each year and the upgrades also reduce the amount of raw materials used and improve production output and quality control. This project was not directly financed by EBRD.
- **KazMunaiGas (Kazakhstan):** EBRD has provided a loan to the Atyrau oil refinery for environmental improvements and upgrade of vital environmental mitigation infrastructure such as wastewater treatment. While Atyrau refinery is a subsidiary of KMG, EBRD is in no way linked to the other KMG assets or issues cited in the report.
- **Tengizchevroil (Kazakhstan)** (via investment in infrastructure). EBRD has not financed any aspect of the TCO project in Kazakhstan and EBRD takes the opportunity to clarify the situation by way of this response.
- **North Caspian Operating Company (Kazakhstan)** (via investment in infrastructure): Similarly to TCO, EBRD takes the opportunity to clarify that EBRD has not financed the NCOC in any form.
- **Lydian Armenia:** EBRD would like to clarify that no element of the Amulsar mine was project or debt financed by EBRD, however, EBRD was a minority shareholder in the parent company until the point of liquidation as a result of forced mine closure. A formal review of EBRD's shareholding participation is currently underway and will be disclosed at the conclusion of that

process. However, the issues cited in the report - such as impacts associated with cyanide use - should be corrected as the mine construction did not reach conclusion and no cyanide was ever deployed at Amulsar. Equally, the project ESIA should be referred to with regard to all other E&S issues cited.

### **E&S governance, policies, transparency and accountability**

EBRD has three good governance policies (2019) which comprise the Environmental and Social Policy (ESP), the Access to Information Policy (AIP), and the Independent Project Accountability Mechanism (IPAM). Together, these three policies set the standard for good E&S governance, including identification and remedy of Human Rights impacts, for all of the projects and clients with which the EBRD is involved. In addition, these policies set the standards for transparency and accountability. Each of these policies are reviewed on a regular basis and are subject to public consultation. These policies are broadly consistent across the multi-lateral community and set the high standards expected of EBRD. EBRD takes claims of human rights abuses extremely seriously and stakeholder feedback is invaluable to the continuous improvement of EBRD's operations.