



Dear Steven van Rijswijk – ING,

Greetings. We are writing from the Business & Human Rights Resource Centre to invite ING to respond to the findings of our recent report, ‘Digging in the Shadows’. We recognise the value of ING investments, but write now to express concern regarding the human rights impacts 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, ING investments have been linked to allegations of severe abuse, including mass illness linked to toxic emissions, retaliation against workers and labour activists, catastrophic harm to the environment, and torture and abuse of protestors.

ING’s human rights policy explains, “Environmental and Social Risks are an important factor when deciding whether to engage with clients and potential clients, as well as when deciding what to finance.” This commitment is further explained in ING’s human rights reports, client pilot project, and ESR policy. However, evaluations of ING’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 ING Investments**

- **KazMunaiGas (via ING Bank):** 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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- **Lydian Armenia (via ING Bank):** The Amulsar gold mine has faced strong community opposition, resulting in the suspension of the mine's construction. Protestors have experienced violence from police and Lydian's security guards. According to CEE Bankwatch, Lydian has filed at least fifteen lawsuits against protestors, critics, activists and journalists. Jermuk residents complained to the EBRD that they have already experienced 'serious environmental harm' due to the mine, and that the mine threatens tourism and water quality. Pollution from the mine would have severe impacts for agriculture, livestock and tourism in the area, threatening right to livelihood. [You can see the sources for the above allegations within the company profile.](#)
- **Tengizchevroil (via ING Belgium):** The Tengiz oil field has been characterised by emergency situations that have caused catastrophic harm to the environment and the health of local communities. Emergencies and technical failures have allegedly become a 'systematic phenomenon', and toxic sulphurous gases are regularly released into the atmosphere. According to Crude Accountability, Tengizchevroil accounts for 70% of emissions in the oil and gas sector of Atyrau, despite the presence of several other major fields and projects in the area. Hundreds of deaths and thousands of illnesses have been linked to toxic emissions from the Tengiz oil field, according to local community members. The village Sarykamys had to be resettled after 90% of the population fell ill. A study found that the daily inhalation of emissions exceeded allowable concentration by up to 12 times, and in the company's production area, this amount increased to 40 times above the permissible limit. [You can see the sources for the above allegations within the company profile.](#)

We invited the companies to respond to the allegations and provide information on their human rights policies. Lydian Armenia provided information on its human rights policies and [responded to the allegations](#). KazMunaiGas and its subsidiaries did not respond, with the exception of North Caspian Operating Company, which [submitted answers about its policies](#), and Karachaganak Petroleum Operating, which [responded to the allegations](#). We also invited Tengizchevroil to respond to the allegations; it did not.

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

Investors like ING 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](http://www.business-humanrights.org) is an independent non-profit organization that tracks the human rights impacts of over 10,000 companies, including [ING](http://www.ing.com), 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 ING’s public commitments to human rights and sustainability, and believe in the company’s potential role to ensure human rights are protected. We invite ING to respond by **5:00pm CET, Friday 10 December 2021**. Please notify us if you need additional time. 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 ING has already taken action with regards to any or all of the allegations, please feel free to include that in your response.

If ING does not provide a response, we will indicate in the Weekly Update that we invited ING 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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Researchers based in Australia, Brazil, Cambodia, China, Colombia, Germany, India, Jordan, Kenya, Mexico, Philippines, Senegal, South Africa, Tunisia, Ukraine, United Kingdom, United States



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Business & Human Rights Resource Centre

<b>Date</b>	<b>Contact</b>	<b>E-mail</b>
January 31 2022	Arnaud Cohen Stuart	Arnaud.cohen.stuart@ing.com

**Subject**

Invitation to Respond: BHRRC recent report, 'Digging in the Shadows'

Dear Business & Human Rights Resource Centre stakeholders,

Thank you for the engagement letter sent by the BHRRC and for your continued work in monitoring the global business and human rights landscape. The 'Digging in the Shadows' report highlights some serious concerns across extractives projects in Eastern Europe and Central Asia. The research is much appreciated.

On a note of policy, ING is guided by our Environmental and Social Risk (ESR) Framework. Within this framework, the overarching Human Rights Policy, the Climate Policy and the Sector Specific Policies apply to clients and projects we finance.

One example of an expectation under the ESR Framework is that all energy sector or mining sector clients should have policies or certification in place to address their unique sector risks, including human rights and environmental risks. These expectations of clients and the risks ING perceives per sector are outlined further in the public ESR Framework. Accompanying our sector policies, the ESR Framework guides ING to re-assess clients. Within this monitoring cycle, we should be made aware of issues with our clients. Based on the nature of the controversy, the sector, the region involved, as well as the client profile we use different forms of leverage and engagement when potential issues occur.

As per our due diligence trajectory, if we do not gain satisfactory information or comfort from engagement with clients, we then decide a course of action. You can read more about our engagement trajectory on page 72 of our first [ING Human Rights Report](#).

We are not able to disclose the nature of the specific dialogues with clients, but please be informed that we take client controversies seriously and engage and take action where needed. We do disclose case studies regularly to share with our stakeholders in our annual reports and dedicated human rights reports.

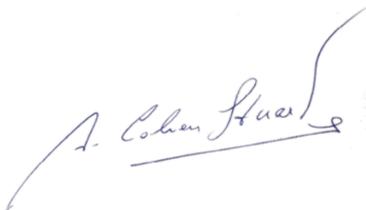
In regards to the three cases highlighted in the BHRRC letter, we would like to elaborate as follows:

- **Lydian Armenia:** ING has had ongoing engagement with the client since we began our relationship. We have engaged on environmental and social risks, as well as issues raised by civil society. ING made sure we were comfortable with financing the client by following our own due diligence process, for example by reviewing impact assessments; engaging independent consultants; and asking the client specific questions on risks found.

The project has been on hold for some time. If the situation changes we will reflect on the new circumstances.

- **KazMunaiGas:** KazMunaiGas JSC is no longer a client of ING. We therefore have very limited leverage with this entity.
- **Tengizchevroil:** ING's relationship with this client began in 2016, where we conducted our due diligence by relying on information available in environmental and social action plans and monitoring reports. Many of the public allegations with this client date years before ING involvement.

With kind regards,



Arnaud Cohen Stuart  
Head of Business Ethics  
Global Sustainability

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## Appendix

ING's Environmental and Social Risk (ESR) Framework (<https://www.ing.com/Sustainability/Sustainable-business/Environmental-and-social-risk-policies.htm>) guides our corporate lending relationships and how we manage risks therein.