



REGIONAL BRIEFING

Eastern Europe & Central Asia

Workers and Minorities Bear the Brunt of Abuse

Business & Human Rights in Eastern Europe & Central Asia

May 2014

Table of Contents

Executive summary	2
1. Introduction	3
2. Key concerns	4
2.1. Workplace health & safety	4
2.2. Forced labour and living wage	4
2.3. Discrimination	5
2.4. Impact of pollution on health	6
2.5. Concerns associated with projects funded by development banks	7
2.6. UN Guiding Principles on Business and Human Rights	8
2.7. 2014 Sochi Olympics & 2018 World Cup	8
3. Positive developments	8
3.1. Steps to protect environment and public health	8
3.2. Initiatives promoting health and education	9
3.3. Initiatives promoting civil & political rights	9
3.4. Other initiatives, including on labour rights	9
4. Legal, policy and regulatory developments	10
4.1. Lawsuits and formal complaints	10
4.2. Laws & regulatory action	11
5. The UN Guiding Principles on Business & Human Rights in the region	11
6. Looking ahead	12
7. Recommendations	13
8. About the Resource Centre - follow our work on Eastern Europe & Central Asia	13

Executive summary

This briefing highlights key business & human rights issues and developments in Eastern Europe & Central Asia over the last year (from April 2013 through April 2014). It provides examples of how companies through their operations continue to make both positive and negative impacts on people's lives. Sadly, the majority of reports we see detail negative impacts of business operations. These reports include breaches of workplace health & safety, impact of pollution on health, discrimination and labour rights abuses. We have also seen reports on positive initiatives by companies, including steps to protect environment and health as well as initiatives promoting education, civil and political rights.

Over the last year, 71% of companies operating in Eastern Europe & Central Asia responded to concerns about human rights impacts when approached by Business & Human Rights Resource Centre. Even though this figure is slightly higher than our average global response rate of 70%, if we look closer, we will see that the response rate of companies headquartered in the region is only 50% (4 responses out of 8 invitations). And the response rate of companies headquartered outside the region is 89 % (8 responses out of 9 invitations). Companies based in the USA received the highest number of invitations (4 invitations total) and responded 100% of the time, while companies based in Uzbekistan had the lowest response rates (0 responses out of 3 invitations).

In 2012-2013 the correlation was very similar with 91% response rate for companies headquartered outside the region versus 55% response rate for companies headquartered in the region. There are a lot of factors that contribute to this gap, including governments' reluctance to implement their duty to protect against human rights abuse by business enterprises, lack of awareness about UN Guiding Principles among companies headquartered in Eastern Europe & Central Asia, and a lack of pressure on companies from civil society that is relatively weak in many countries of the region.

The briefing also highlights important legal, policy and regulatory developments, including lawsuits and formal complaints as well as laws and regulatory actions. In addition, it provides an overview of issues to expect over the coming years in the region, including the oil industry's impacts on the environment and human health in Kazakhstan and Kyrgyzstan, discrimination in employment in most countries of the region, concerns related to possible negative impacts of shale gas exploration in Ukraine, abuses of the rights of migrant workers constructing the infrastructure for the 2018 World Cup in Russia, potential environmental & health hazards related to new controversial mining projects in Armenia, continuing use of child & forced labour in the cotton industry of Uzbekistan and Turkmenistan, and others.

Based on the key concerns and developments in the region, the briefing proposes some recommendations to companies, governments and civil society in Eastern Europe & Central Asia. The briefing refers to most countries in the region: Armenia, Azerbaijan, Belarus, Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Hungary, Kazakhstan, Kosovo, Kyrgyzstan, Lithuania, Poland, Romania, Russia, Serbia, Slovakia, Turkmenistan, Ukraine and Uzbekistan. Our [Western Europe briefing](#) complements this coverage.

1. Introduction

This briefing provides an update about businesses' impacts on human rights in Eastern Europe & Central Asia over the last year (from April 2013 through April 2014) - for last year's briefing, please click [here](#). This briefing includes cases of alleged abuse and company responses to them, as well as descriptions of positive steps that some firms are taking. The briefing refers to most countries in the region: Armenia, Azerbaijan, Belarus, Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Hungary, Kazakhstan, Kosovo, Kyrgyzstan, Lithuania, Poland, Romania, Russia, Serbia, Slovakia, Turkmenistan, Ukraine and Uzbekistan. Ella Skybenko, Business & Human Rights Resource Centre's Eastern Europe & Central Asia Researcher based in Ukraine, and Eniko Horvath, Western Europe & North America Researcher based in USA, provide our coverage of these countries.

This is not a comprehensive overview. It flags some major issues, cases, developments and trends. For more detail see our [website](#), with sections on over 190 countries, 5600 companies, and 150 issues.

Over the last year, we have invited companies operating in Eastern Europe & Central Asia to respond to specific human rights allegations raised by civil society organizations 17 times, with a response rate of 71% (full details of all these approaches are [here](#)). This number includes 8 invitations sent to companies headquartered in the region and 9 invitations to companies headquartered outside the region. The response rate of companies headquartered outside the region is 89% (8 responses out of 9 invitations), while the response rate of companies headquartered in the region is only 50% (4 responses out of 8 invitations). In 2012-2013 the correlation was very similar with 91% response rate for companies headquartered outside the region versus 55% response rate for companies headquartered in the region. The statistics show that at least half the companies headquartered in the region do not attribute much importance to engaging on human rights issues.

These are the response rates of companies headquartered in Eastern Europe & Central Asia for April 2013- April 2014:

Companies based in Eastern Europe & Central Asia	No of invitations to respond to allegations	no. of responses	% response rate
<i>Ukraine</i>	1	1	100%
<i>Russia</i>	3	2	67%
<i>Kazakhstan</i>	1	1	100%
<i>Uzbekistan</i>	3	0	0%
Total	8	4	50%

Response rates of companies headquartered outside Eastern Europe & Central Asia for April 2013- April 2014:

Companies based outside Eastern Europe & Central Asia	No of invitations to respond to allegations	no. of responses	% response rate
<i>Singapore</i>	2	2	100%
<i>South Korea</i>	3	2	67%
<i>USA</i>	4	4	100%
Total	9	8	89%

2. Key concerns

2.1. Workplace health & safety

This remains an area of high concern given the large volume of reports on alleged workplace health & safety abuses throughout Eastern Europe & Central Asia over the last year. Many of these abuses happened in mines, but various other sectors were implicated as well.

In July 2013 the Ukrainian Government's inspections revealed a sharp increase in the number of [safety violations at mines](#). It was reported that over the first four months of 2013 there were 117,600 infringements of safety regulations at Ukrainian mines, which constituted an increase of 10.9% over the same period last year. Four mines within the Systems Capital Management holding (owned by billionaire Rinat Akhmetov) altogether saw a 21.8% increase in the number of infringements (52.4 thousand). A Systems Capital Management spokesperson stated that their priority was to reduce the number of injuries.

Also in July 2013, [two miners died](#) in Oranovo coal mine collapse in Bulgaria. Trade union leaders alleged that poor safety standards caused the collapse.

In August 2013, 5 employees died and 21 were hospitalised after [JSC Concern Stirol chemical plant accident](#) in Horlivka, Ukraine. The investigation later determined that violation of safety regulations caused the accident.

In September 2013, senior managers of Enturtrans company were [jailed over a bus accident](#) that killed nine and injured 20 people in Bulgaria. The inspection showed the bus had cracks, a damaged brake and poor wiring, which caused the accident.

In January 2014, eight people were killed and eight more injured as a result of a [fire at Harton jewelry factory](#) in Kharkiv, Ukraine. The state emergencies agency [said safety violations](#) caused the fire. Police opened a criminal investigation into the accident.

In February 2014, seven miners were killed and nine injured in [an explosion](#) at Pivnichna coal mine in eastern Ukraine. The same month, 15 people were [injured](#) in a fire at Lukoil's petrochemical plant "Stavrolen" in Russia.

In July 2013, at least [13 people were injured](#) at Moscow Zoo, Russia, because of a bridge collapse. A criminal case was opened on charges of rendering services that do not meet safety requirements.

2.2. Forced labour and living wage

Forced labour: In June 2013, International Labour Organization (ILO) demanded once more that [forced labour by children and adults be stopped](#) in Uzbekistan, and requested that its observers be allowed to inspect this year's harvesting of cotton. Uzbek ILO representatives denied once more that child labor was used during the 2012 harvest and ignored inquiries on the forcing of government employees to work in the cotton fields.

In November 2013, NGO Cotton Campaign issued the report ["Review of the 2013 Cotton Harvest in Uzbekistan: State Forced-Labour System Continues"](#) alleging that companies, including Daewoo International and Indorama, continue purchasing forced-labour produced cotton and local firms, including Trustbank, Shurtanneftegaz & GM Uzbekistan, send staff to pick cotton. We invited the firms to respond. Indorama [responded](#). Daewoo International, Trustbank, Shurtanneftegaz & GM Uzbekistan did not respond.

In October 2013, the prime minister of Uzbekistan [pledged to replace manual cotton picking](#) with machinery within the next three years. The efforts to switch away from manual cotton-picking came amid international criticism over poor working conditions & child labour in cotton production. The International Labor Rights Forum estimated that as many as two million children were forcibly taken out of school and made to work under appalling conditions.

In September 2013, Alternative Turkmenistan News reported that [forced & child labour was still used](#) in cotton harvest in Turkmenistan. Tens of thousands of teachers, doctors, mailmen, bank, factory and other industrial employees throughout the country were allegedly forced to stop their work and go to the field to pick up cotton.

Living wage & non-payment of wages: In September 2013, employees of Nairit Rubber Factory were [protesting over unpaid salaries](#). Workers said they hadn't received an average of 10-12 months' worth of wages.

In November 2013, Georgia's trade unions [won an "important victory"](#) over Georgian Railways management, which had allegedly refused to negotiate on overtime pay, a fair bonus system and bonuses for the length of service and qualifications, provoking a strike of some 6,000 workers. Once the strike was launched, the employer agreed to negotiations and agreement was reached. In December 2013, Bulgaria's Labor Inspectorate registered nearly 124,000 [violations of labor law](#) in the period June – November 2013. The probes spanned around 24,000 companies with a total staff of 990,000. Nonpayment or delay of salaries was among the most serious problems in the relations between employer and employee.

In March 2014, hundreds of Irrigation Systems workers [protested](#) over 4 months of unpaid salaries in Bulgaria.

2.3. Discrimination

Roma people continue to experience discrimination throughout Europe. Today, one in three Roma in Europe are [unemployed](#) and 90% live below the poverty line, according to European Union Agency for Fundamental Human Rights. Roma are often [denied access](#) to jobs and quality health care. The following cases exemplify the predicament of Roma people, minorities and migrants in Eastern Europe:

In the Czech Republic, [an analysis of job applications](#) carried out by the academic institute CERGE-EI revealed that an applicant with a majority-sounding name is 75% more likely to be invited to a job interview, compared to an applicant with a Roma-sounding name.

In Hungary, wages paid to Roma are reportedly [lower](#) than the Hungarian minimum wage.

In Bulgaria, 82% of Roma working in the construction and textile sectors [complain](#) that they have been hired at lower-wage positions and 38,6% complain of receiving less payment as compared to Bulgarians who perform the same job.

In the Czech Republic, respondents of [a recent survey](#) stated that they had been denied promotion with the explanation "that it is not yet time for a black person to work in a management position". In Bulgaria, [a study](#) conducted by the Open Society Institute revealed that few of the respondents agreed upon having a migrant or an individual with a minority background on the management team of the company they work for.

[A Polish study](#) on threatening dismissal practices concluded that in many cases migrant workers are forced to work overtime under the threat of dismissal.

In Lithuania, 43.8% of national minorities have indicated they [faced discrimination](#) in the labour market or the workplace itself. 45.9% of national minorities' women and 16.8% of national minorities' men stated that access to the labour market was one of the main problems they encountered in the employment sector. National minorities specified that discrimination in accessing employment related to salary discrimination, the "glass ceiling" and working conditions.

In Slovakia, both [migrants and Roma](#) are often forced to accept job positions with a lower degree of legal protection, lower remuneration and almost non-existent career prospects or employment stability.

According to [“Economic and Social Rights of Women in Bosnia and Herzegovina in 2012-2013”](#) report by Sarajevo Open Center in September 2013, employed women face pregnancy discrimination, particularly in private sector. This happens especially when women have temporary engagement contracts that are often not extended by employers in order to avoid legal obligations toward future mothers.

Other vulnerable people who regularly suffer discrimination are disabled people and homosexuals. According to a Human Rights Watch (HRW) [report](#) issued in September 2013, people with disabilities lack access to employment in Russia. The vast majority of people with disabilities with whom HRW spoke reported losing or having been denied jobs when employers learned of their disabilities. HRW also documented multiple cases of disparate treatment in the workplace, such as lower pay for people with disabilities.

In October 2013, gay rights group “All Out” picketed Coca-Cola’s headquarters in the USA to urge the company [to protest Russia’s strict anti-gay laws](#) ahead of the 2014 winter Olympic Games (see below for dedicated section on the Olympics).

2.4. Impact of pollution on health

Reports on harmful effects of air, water and land pollution on people’s health remain frequent. Most reports related to the extractive and energy sectors.

In May 2013, thousands of Romanians [protested against Chevron plans](#) to explore for shale gas over environmental & health concerns. Chevron said all its activities were *“in compliance with Romanian laws, EU requirements and stringent industry standards”*. In October 2013, however, Chevron said the company decided to [suspend it’s shale gas search](#) in Romania following sustained anti-fracking protests across the country. In December 2013, Chevron [resumed search for shale gas](#) in north-eastern Romania after hundreds of riot police reportedly brutally removed villagers who had been camping out at the site protesting the company’s plan. Some 40 people were beaten, detained and taken for further interrogation. Chevron said its priority was to *“conduct these activities in a safe and environmentally responsible manner.”*

A report by Kazakh NGO Crude Accountability, [“The Republic of Chevron—20 years in Kazakhstan”](#), published in June 2013, raised serious concerns over environmental & health hazards allegedly resulting from Chevron’s operations at Tengiz oil and gas field. Concerns included an increase in circulatory system diseases among local population and workers employed in the field. It was also reported that doctors were seeing a 21% increase in respiratory diseases among local residents in the period from 2007 to 2012. We invited Chevron and Tengizchevroil (joint venture between Chevron, ExxonMobil, KazMunayGas and LukArco created to develop the Tengiz field) to respond. Chevron [responded](#) on behalf of Tengizchevroil.

In June 2013, local residents and farmers [protested](#) against Chevron's shale gas exploration in the region of Zurawlow, Poland. The people resisting the drill for shale gas said it could lead to the contamination of their water and land. We invited Chevron to respond to these allegations. Chevron [responded](#).

In August 2013, Crude Accountability released a new film [“Five Kilometers of Indifference”](#) raising health & environmental concerns related to Karachaganak Petroleum Operating (KPO) - run Karachaganak oil & gas field in western Kazakhstan. The film describes the many years of struggle of the residents of Berezovka village to achieve relocation away from one of the world’s largest oil and gas condensate fields. The Karachaganak Oil and Gas Condensate Field is operated by the Karachaganak Petroleum Operating, B.V. consortium, which comprises BG Group (UK), ENI (Italy), Chevron (US), Lukoil (Russia), and KazMunaiGaz (Kazakhstan). We invited KPO consortium & companies part of the consortium to respond. KPO [responded](#) on behalf of these companies.

In July 2013, Moscow residents [protested against road construction](#) over pollution & noise concerns. Residents filed over 400 complaints against the project but its implementation continued. The Moscow City Hall only promised to install new windows and protective noise screens as compensation to residents for the possible damage.

In July 2013, Mesothelioma Cancer Alliance reported that residents of the Russian town of Asbest [suffered from various health issues](#) allegedly caused by pollution from Uralasbest asbestos mine operations. We invited Uralasbest to respond; the company [responded](#).

In October 2013, Energy firm KOSEP announced it [no longer intended to participate in bidding](#) for the controversial 500 MW Plomin C coal power plant in Croatia. Local activists had been protesting against the project for a year. In addition, environmental organizations Zelena Acija and Zelena Istria together with local people submitted a court appeal to overturn the environmental permit issued in 2012 by the Ministry of Environmental and Nature Protection.

According to a [Greenpeace report](#), published in November 2013, the highest air pollution with sulfur dioxide and fine dust particles produced per kWh of electricity in Europe was registered in Bulgaria. As a result, over 2000 people in Bulgaria die prematurely due to air pollution from Thermal Power Plants (TPPs). The number of victims of TPPs coal burning exceeds four times the number of traffic fatalities in the country. Over 3000 adults and 2600 children suffer from respiratory diseases, and another 3700 experience reduced job performance while 2000 are on sick leave every day over the problem.

In January 2014, NGOs & residents of Vayots Dzor Region, Armenia, [raised concerns](#) about environmental & health hazards posed by Lydian International's Amulsar gold mining project. They were particularly worried about pollution of main water resources with dumps and wastes, radioactive pollution with uranium and thorium, risks of landslide processes and seismic risks.

In September 2013, some 15,000 people filled the streets of Bucharest, Romania, [to protest a draft law](#) passed by the government designed to approve Europe's largest gold mining project to be implemented by Rosia Montana Gold Corporation (owned by Gabriel Resources). They contended that the mine's liberal use of cyanide and heavy metals such as mercury would create a major environmental risk. The draft law would also permit forced expropriation of land, which would violate the individual right to property. Rosia Montana Gold Corporation provided [comments](#).

2.5. Concerns associated with projects funded by development banks

NGOs continue to highlight alleged human rights abuses associated with projects financed by intergovernmental development banks, indicating that social and environmental assessments and reporting at those banks are probably not working as they should. Below are a few cases brought to our attention by local NGOs.

In 2013, a landslide reportedly linked to Kolubara lignite mine, operated by Elektroprivreda Srbije (EPS), [destroyed several houses](#) in the village Junkovac, Serbia. Forty other houses in the village were also put in danger. Operations at the minefield were supported by the European Bank for Reconstruction and Development (EBRD) and the German KfW banking group. We invited EPS to respond but it did not do so. In September 2013, EBRD said it was [no longer interested](#) in financing the Kolubara project following a prolonged campaign organized by NGO CEE Bankwatch Network together with local environmental NGOs.

In October 2013, CEE Bankwatch and other NGOs urged European Commission President [to review EU-backed energy projects](#) claiming they would harm people & environment in Western Balkans. NGOs pointed out that, for instance, three lignite power plants – Kolubara B and Nikola Tesla B3 in Serbia and Kosovo e Re in Kosovo, all prioritised by the EU - clash with the EU's long-term climate goals and harm local people's health.

The same month NGO National Ecological Centre of Ukraine (NECU) asked EBRD [to reconsider additional credit](#) for the Ukrainian agroholding Myronivsky Hliboproduct (MHP) over environmental & health concerns. The NGO said that local residents and organizations in the Vinnytsia and Dnipropetrovsk regions expressed concerns on MHP's facilities related to working and labour conditions, the improper handling of biological waste and manure, land use without the consent of owners, failures made during environmental impact assessments, failures to address the needs of

local population during the construction of new facilities and limited access to environmental information.

In October 2013, protests against Khudoni hydropower plant supported by the World Bank in Georgia [over resettlement concerns](#) spread beyond affected communities. The native communities in the Svaneti region said the project would expel them from their land and harm their way of living. The dedication of the Svan communities has triggered solidarity across the country and many famous supporters joined the protests publicly.

2.6. UN Guiding Principles on Business and Human Rights

It is a missed opportunity that not one Eastern European or Central Asian government has issued a National Action Plan for the UN Guiding Principles on Business and Human Rights. Russia was one of the core sponsors of the UN Human Rights Council resolution endorsing the Guiding Principles. Yet, paradoxically, Russia appears to have taken very few steps to implement the Principles. Equally, business in Eastern Europe and Central Asia has been slow in driving progress, even if some firms have further developed their human rights policies. Please see more information in [section 5 below](#).

2.7. 2014 Sochi Olympics & 2018 World Cup

Human Rights Watch's report "[Race to the bottom: Exploitation of migrant workers ahead of Russia's 2014 Winter Olympic Games in Sochi](#)", from February 2013, documents alleged abuses against migrant workers by construction firms involved in the Olympic construction. Human Rights Watch invited all firms mentioned in the report to respond to alleged abuses, including State Corporation Olympstroy, Engeocom Association, Botta Management Group AG, LLC RogSibAI [part of Glavstroy], Basic Element, STRABAG SE, Construction Technology Transfer Center "Omega", Inzhtransstroy Corporation, SU-45, KubanStroyInvest [owned by Snegiri Development], MonArch, Novii Gorod. Firms' responses/comments are included in the report.

In October 2013, HRW launched a new interactive "[alternative torch relay map](#)" to spotlight serious human rights concerns in the cities and towns along the relay route. In November 2013, [EU-Russia Civil Society Forum](#) urged Russian Govt. [to end persecution of advocates](#) opposing environmental & human rights abuses related to Olympics construction following the detention of Dmitrii Shevchenko, deputy coordinator of "Ecological Watch in the North Caucasus" (EcoWatch).

[Business & Human Rights Resource Centre](#) created [a page](#) compiling main reports on the role and responsibilities of companies in alleged abuses related to the 2014 Winter Olympic Games that were held in Sochi in February 2014. Reports on the page deal with exploitation of workers engaged in Olympic construction, illegal dumping of construction waste threatening residents' health & safety, and evictions & displacement to make way for Olympic construction. It also features reports of firms sponsoring the Olympics, such as AT&T, who took a public stand against Russia's anti-gay legislation.

In October 2013, the International Trade Union Confederation and its Russian affiliates [raised concerns](#) that new "FIFA" laws would lead to exploitation of Russian & migrant workers in preparation to the 2018 World Cup in Russia. The law, which was adopted by the Russian Duma in summer 2013, would apply until the end of 2018 and effectively allows FIFA and its partners, including Russian and multinational companies, to set working conditions outside the framework of Russian law. With several construction workers having already lost their lives building new stadiums in St Petersburg and Kazan, Russian unions were concerned that removing worker protections will lead to more exploitation, deaths and injuries.

3. Positive developments

3.1. Steps to protect environment and public health

In July-September 2013, PJSC ArcelorMittal Kryvyi Rih invested 65.702 mln UAH (over US\$ 8m) in [environmental measures](#) that will result in reduction of harmful emission into atmosphere and

prevention of land pollution caused by tail disposal in environment. Russian RUSAL's two largest smelters (the Krasnoyarsk and the Bratsk facilities) continue carrying out programs [to reduce greenhouse emissions](#) in line with the company's strategy aimed at tackling the climate change risks and reducing greenhouse gas emissions in compliance with the Kyoto Protocol. The major goal of the strategy is to cut the GHG emissions by 50% by 2015. In 2010 this goal was met by 86%.

3.2. Initiatives promoting health and education

In July 2013, the Ukrainian telecommunications provider Kyivstar and the Kharkiv Rehabilitation Center for people with disabilities and their families launched [the rehabilitation complex](#) called "Joy of Movement." The complex was built in Kharkiv for children with special needs and consists of a unique rehabilitation area with playground where children with disabilities can exercise or play.

In August 2013, Kyivstar organized [special interactive lessons](#) for children in different summer camps as part of its nationwide social project entitled "Child Safety on the Internet". During these interactive games, organizers provided children with information about the advantages of using the internet, online threats, rules of safe web surfing and modern tools for using the web via computer or mobile phone.

Metinvest Group's investments in [health care system](#) of Mariupol, Ukraine, was more than UAH 14 million (US\$ 1,75m) in 2010-2013. This included repairing 16 hospitals, clinics and maternity homes and opening a new clinic. Support for the health care system will continue in 2014, including the opening of two more clinics in Mariupol.

3.3. Initiatives promoting civil & political rights

From December 2013 through February 2014, Lviv small-business owners [provided support](#) for anti-government protests for democracy in Kyiv, Ukraine. Company employees sewed warm clothes or prepared food for the demonstrators. One of the city's most popular cafes sent a van to Kyiv to provide coffee for protesters. Kyiv local businesses and the community were also [stepping up to help](#) the protesters. Various venues and companies were offering them places to stay, free food and even legal assistance.

On December 1-2, 2013, Ukraine's biggest internet and cable service provider Volia [opened WiFi access points](#) in Kyiv and bumped up all of its customers' internet services to maximum speed so that their WiFi connections could be used by people in the city during the protests. It also set up several free WiFi spots in the city center. In a statement Volia said:

"We're witnessing [forceful] actions that are threatening human lives and health, that's why we're opening the possibility for emergency calls and to contact relatives online...by opening for two days, Dec. 1-2, the maximum internet speed to your address...We're urging you to remove all WiFi passwords to give access to networks to all those who need it".

In December 2013, US gay rights groups enlisted the firm American Apparel [to protest against Russian homosexuality law](#) at Sochi Winter Olympics. The same month American Apparel launched a branded clothing line for the "Principle 6" campaign, a reference to the Olympic Charter's decree that discrimination based on race, religion, politics, gender or otherwise is "incompatible" with the Olympic movement.

3.4. Other initiatives, including on labour rights

In September 2013, the Ukrainian steel and mining company Metinvest Group adopted [a Code of Ethics](#) that sets uniform ethical standards for doing business at all of its enterprises. The document summarizes the rules of conduct for employees at all levels in their interaction with colleagues, customers, partners, investors and other stakeholders. In case of breach of business conduct and corporate ethics each employee is entitled to request investigation. The breaches include harassment, discrimination, workplace violence, and retaliation of whistle-blowers.

In June 2013, the Responsible Business Forum released the "[Responsible Business in Poland 2012 - Good practices](#)" report. The report is a summary of the activities undertaken by companies in Poland in the domain of corporate social responsibility and sustainable development. The publication includes the list of corporate good practices - with a total of 262 practices submitted by 106 companies over the year 2012, including in the area of human rights and labour practices.

In April 2014, the ArcelorMittal Foundation gathered elementary school pupils, teachers, local ArcelorMittal and international volunteers, as part of [a project](#) to bring together children from different ethnic backgrounds in Bosnia and Herzegovina. The aim of the children's camp is to work with the children through educational workshops to develop their multicultural skills and learn about their ethnically-diverse community through sports and art.

4. Legal, policy and regulatory developments

There were several important legal and policy developments over the past year.

4.1. Lawsuits and formal complaints

After a series of court hearings and appeals, the Moscow City Court ruled in July 2013 that Aeroflot was [obliged to make additional payments](#) to the airline personnel for night flights and harmful working conditions. The payments were to be made over a period of 17 months, from March 2011 to August 2012. In September 2013, Aeroflot's spokesman claimed the company started to make the payments ordered by the court but Sheremetyevo Cockpit Personnel Association (SCPA), which has some 900 active members out of the 1,400 pilots that Aeroflot employs, said they had not yet received any of those payments. The SCPA also claimed that working conditions at Aeroflot threatened passenger safety because of constant violations of the Labor Code's provisions on working hours and corresponding days-off. Aeroflot argued that its working conditions complied with Russian law.

In June 2013, Kazakh NGOs Crude Accountability, Society Green Salvation and Zhasil Dala filed [OECD Guidelines complaints](#) against British Gas, Chevron and ENI. The companies are all members of the KPO Consortium, which is operating the Karachaganak Oil and Gas Condensate Field in Kazakhstan. All three complaints concerned the alleged environmental, health and human rights risks of residents of the village of Berezovka, located close to the Karachaganak oil and gas field. The allegations relate to obligations to resettle villagers due to environmental impacts of the facility, including emissions levels. The NGOs made the complaints to the National Contact Points (NCP) in the UK, the US and Italy, asking the NCPs to use their good offices to engage UK, US and Italian partners in the consortium.

In September 2013, Association for Human Rights in Central Asia, Human Rights Society of Uzbekistan "Ezgulik" and Uzbek-German Forum for Human Rights [filed a formal complaint](#) to the World Bank Inspection Panel to investigate an agricultural loan allegedly contributing to state-organised forced labour. The Bank asserted that it was addressing the problem of "child labor" through educating farmers, ignoring the facts that the system of forced labour is organized by the government, not the farmers. According to NGOs, attempts to engage the World Bank were met with dismissals of the concern, denials of responsibility, and refusal to share basic information.

In December 2013, Kyrgyzstan [sued Centerra Gold](#) for \$304 million over ecological damage caused by its operations between 1996 and 2011, including emissions of pollutants and waste dumps. Centerra Gold had said earlier that it viewed the government's claim as exaggerated and unfounded. Kumtor Operating Company (KOC), the Centerra subsidiary that runs the Kumtor mine in the Tien Shan mountains, said it rejected these claims.

The same month, [Lukoil-Komi was fined](#) \$18.5 million for 9 oil spills affecting the Northern republic of Komi, Russia. The spills covered an area estimated between 20.5 and 21 hectares of land in the province. Lukoil-Komi's press service could not be reached for comment, according to RIA Novosti.

In January 2014, over 60 workers who were laid-off by Burgas shipyard registered with the local labor office and [filed lawsuits](#) over unpaid salaries and compensations.

In February 2014, workers of Volzhsky Machine Building Plant protested over 2 months of unpaid salaries. The Interregional Union of Workers Association [filed a legal notice](#) with the district prosecutor, accusing the company of owing nearly \$2 million in wages to employees.

4.2. Laws & regulatory action

In June 2013, Russia's parliament passed a law prohibiting the 'promotion of non-traditional sexual relationships' among children and young people. In December 2013, Swedish company IKEA [experienced public criticism](#) from LGBT rights groups in Sweden and elsewhere for its decision to delete a story featuring a British family with lesbian parents from the Russian edition of its IKEA Family Live magazine. The company said it deleted the ad from the Russian edition because Russia has a law that prevents this kind of promotion and the company has to comply with this law.

In January 2014, [amendments to anti-terrorism laws](#) that would oblige online communication service providers to store for six months "information about the reception, transferring, delivery and processing of voice information, written texts, images, sounds and any activities made by the users," and to supply that information to government agencies, were introduced to the State Duma in Russia. The same month it was alleged that Microsoft was ready to share information about the Russian users of its Skype service with law-enforcement agencies. We invited Microsoft to respond. The company [responded](#) denying the allegations.

EU [anti-discrimination legislation](#) has been transposed into the laws of Member States, but there remain numerous enduring inconsistencies in implementation and protection mechanisms. In addition, there is no common legal duty for employers to accommodate cultural and religious diversity in EU anti-discrimination legislation. Five groups are most vulnerable to discrimination in employment: migrants from non-EU Member States, including undocumented migrants, refugees and asylum seekers; Roma; Muslims; people of African descent and Black Europeans; and all women with a minority or migrant background.

5. The UN Guiding Principles on Business & Human Rights in the region

The second annual [United Nations Forum on Business and Human Rights](#) was held 2-4 December 2013 in Geneva. The main focus of the Forum was to discuss trends and challenges in the implementation of the UN Guiding Principles. Business & Human Rights Resource Centre researchers presented overviews on key regional trends in UNGPs dissemination & implementation at regionally focused side events. The UN Human Rights Council established a [UN Working Group on business and human rights](#) in 2011 with a three-year mandate. Among its roles is "to promote the effective and comprehensive dissemination and implementation of the Guiding Principles". A member of the Working Group from this region is Pavel Sulyandziga, a Russian indigenous rights activist of Udege nationality.

Our [2013 briefing on Eastern Europe & Central Asia](#) highlighted key developments, challenges and opportunities for implementation of the UN Guiding Principles in the region. It was pointed out that even though the rate of company responses is increasing in the region, there are still a lot of challenges that include governments' reluctance to implement their duty to protect against human rights abuse by business enterprises, and low awareness about UN Guiding Principles among companies. Therefore, the role of local civil society in dissemination and implementation of UN Guiding Principles is highly important.

According to the report ["Implementation of the UN Guiding Principles: The Case of the Czech Republic"](#) published in December 2013 by representatives of the Masaryk University, the overall impact of the UN Guiding Principles in the Czech Republic remains low. The majority of companies from the sample of the 30 largest (according to their annual revenues) companies active in the Czech Republic lack any knowledge about the document. Only five companies made some commitments to the UN Guiding Principles. Two firms support them rhetorically and three have attempted to implement them, while only two have demonstrably done so.

In September 2013, Ukrainian Global Compact Network & twentyfifty conducted a business & human rights coaching [course](#) for companies in Kyiv, Ukraine. The two-day course provided hands on information for companies on how to implement the corporate responsibility to respect human rights on the UN Guiding Principles. The objectives of the training were to raise awareness of the relevance of human rights for companies, identify and assess specific corporate risks associated with human rights and introduce instruments for assessing impacts and strategy development.

In November 2013, the Emerging Best Practices for corporate social responsibility (CSR) compliance [workshop](#) was held in Warsaw, Poland. Instytut Allerhanda and GLOBAL CSR jointly conducted this workshop paying special attention to the UN Guiding Principles.

6. Looking ahead

Since the overall human rights situation is worsening in post-Soviet countries with authoritarian regimes, we will most likely see more reports on companies that comply with local discriminatory laws in order to be able to operate in these countries, as was the case with [IKEA](#) in Russia (see above in section 4.2.).

Concerns over oil industry's impacts on the environment and human health in Kazakhstan and Kyrgyzstan will continue to be raised by NGOs since oil deposits are still vast and there is little progress in solving a lot of the issues that exist today. One example is [a case](#) of the residents of Berezovka village, Kazakhstan, struggling since 2002 to achieve relocation away from one of the world's largest oil and gas condensate fields.

In 2013, Ukraine signed two major shale gas deals with Shell and Chevron worth a combined \$20 billion. Environmental NGOs raise concerns about possible negative impacts that gas exploration may have on the environmental and people's health. The Russian government already stated that gas-drilling technology likely to be used by Ukraine (hydraulic fracturing) [could pollute water supplies](#) for Russians living near the border between the two countries.

High unemployment among migrants and ethnic and religious minorities [continues to be problematic](#) in European Union countries, especially for Roma and for low-skilled and non-EU migrants. Despite the existence of a legal framework, discrimination in employment is still experienced as a widespread phenomenon. The situation is even worse in non-EU countries. The economic and financial crisis has further exacerbated the employment gap. As a result, we will most likely see more reports on discrimination in employment over the coming years.

We have started seeing reports on [alleged abuses](#) of the rights of migrant workers constructing the infrastructure for the 2018 World Cup to be held in Russia, and these are likely to increase over the coming years as the preparation works intensify. Many NGOs and activists urge FIFA to dismiss Russia as a host of the 2018 World Cup because of human rights violations taking place in the country. If the experience with the 2014 Sochi Winter Olympics is anything to go by, then we can expect multiple human rights abuses in which companies will be closely involved.

In Armenia, environmentalists continue raising concerns over new controversial mining projects that may damage the environment and cause harm to people's health. [Amulsar gold mining project](#) that is being implemented by Lydian Intl.'s is one of such projects.

Despite the fact Uzbek Prime Minister Shavkat Mirziyayev's [decree](#) in 2012 banning children from working in the cotton fields, the issue of forced child labour in the cotton industry has not been resolved and remains a very serious issue for international scrutiny. The situation with [forced and child labour](#) in Turkmenistan is not improving either.

Despite the continuing challenges that business and human rights face in the region, there are some positive trends. Those include an increasing number of company responses to reports raising concerns about their operations, and new initiatives by NGOs and consultancies directed at dissemination and implementation of the UN Guiding Principles in the region.

7. Recommendations

Based on the key concerns and developments in this briefing, we propose the following recommendations:

Companies should:

- Adopt and implement a human rights policy based on internationally accepted norms and principles
- Commission independent human rights impact assessments, take findings into account in planning and implementing projects
- Commit to seeking free, prior and informed consent of communities directly affected by projects
- Together with workers, local communities and civil society, develop grievance mechanisms that are accessible to workers and residents, and comply with international human rights
- Provide effective remedies when abuses occur
- Undertake projects in partnership with civil society and government to support progressive realisation of economic and social rights

Governments should:

- Review existing national laws and regulations to ensure there is a comprehensive framework to protect from human rights abuses by business, and strengthen laws as necessary
- Take appropriate steps to prevent, investigate, punish and redress abuses through policies, legislation, regulations and adjudication
- Ensure that local legislation complies with internationally accepted human rights and labour rights standards

Civil society should:

- Play active role in raising awareness among companies about UN Guiding Principles
- Put pressure on governments to implement their duty to protect
- Push companies to adopt human rights policies and establish grievance mechanisms

8. About the Resource Centre - follow our work on Eastern Europe & Central Asia

Business & Human Rights Resource Centre, an independent non-profit organization, provides the leading information hub on business & human rights: www.business-humanrights.org.

The website tracks reports about the human rights impacts (positive & negative) of over 5600 companies in over 180 countries, and provides guidance tools and resources for all those working in this field. Its researchers are based in Brazil, Colombia, Hong Kong, India, Kenya, Lebanon, Myanmar, Senegal, South Africa, UK, Ukraine and USA.

Mission: To encourage companies to respect and promote human rights, and avoid harm to people. It does this by advancing:

- **Transparency** - pursuing, collecting and disseminating to a global audience information about company conduct, positive and negative;
- **Public accountability** - helping civil society get companies to address concerns; seeking responses and drawing attention to each company's response or failure to respond; and
- **Informed decision-making** – providing the leading business & human rights resource and guidance hub, to assist civil society, companies and others.

You can follow our coverage by region and country here:

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If you would like to receive our free Weekly Updates, the sign-up form is accessible here:

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Please do not hesitate to get in touch with any questions or suggestions of material for our website:
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