



Country: **Georgia**



No website



BHRRC company page

Saknakhshiri

Summary

There are a number of noted human rights allegations related to Saknakhshiri, including:

➔ **Deaths and Suspension of Operations:**

Dozens of people have died in the Tkibuli mines, largely due to issues around occupational health and safety. Thirty-eight workers died between 2009 - 2019.

➔ **Occupational Health and Safety:**

Almost all miners interviewed by Human Rights Watch said that they had been injured at some point in a workplace accident. 'When miners go inside, every day they expect injury or death,' one worker told an interviewer.

➔ **Payment and Compensation:**

Workers said they were not compensated for several hours of company-related activity each day. Miners also said that the company regularly deducted 10 - 20% of their wages.

➔ **Right to Livelihood:**

The suspension of the mines took a severe toll for local workers, most of whom relied in mining for their livelihood. Saknakhshiri agreed to pay the miners their salaries until the mines reopened; however, three months after the mines shut down, Saknakhshiri said it had run out of money and the payments stopped.

Saknakhshiri does not have publicly available information about its human rights policies nor on its environmental and social standards. The company did not respond to our questionnaire of its human rights policies and commitments.

Human Rights Commitments

- ⊖ Saknakhshiri **does not have a website**; we were unable to find any publicly available human rights policies
- ⊖ Parent company, Steel International Trading Company, also **does not have a website**
- ⊖ Saknakhshiri **did not respond** to our questionnaire of its human rights policies and commitments

Human Rights Impacts

- ⚠ Health and safety
- ⚠ Right to livelihood and adequate standard of living
- ⚠ Labour rights and wages
- ⚠ Deaths and/or violence

Company Information

Saknakshiri LLC operates the Tkibuli coal mines (Mindeli and Dzidziguri). The company was previously owned by Georgian Industrial Group (GIG) until late 2019, when it was acquired by Steel International Trading Company.[↗]

After the deaths of ten workers within the span of three months (see below), production at the Tikibuli coal mines was suspended from July 2018 through late 2019.[↗] The company reopened under Steel International Trading Company, which promised to cooperate with unions and improve safety conditions. However, concerns around occupational health and safety persist (see below).

According to Green Alternative, some executives of Steel International Trading Company appear to have significant ties to Georgian Manganese.[↗]

COMPANY OWNERSHIP



Human Rights Allegations

Deaths and Suspension of Operations

Dozens of people have died in the Tkibuli mines, largely due to issues around occupational health and safety (see below). According to information from Georgia's Ministry of Internal Affairs, thirty-eight workers died between 2009 - 2019.[↗]

In April 2018, an explosion killed six coal miners. After a miner, Mikheil Gamezardashvili, found out his nephew had died in the explosion, he experienced fear and nightmares about returning to the mines. Despite concerns, the mines shortly reopened, and Gamezardashvili was called back to work. By July, his anxiety had become so great that he told his coworkers that he no longer wanted to work in the coal mines. The next day, he and three others died in another accident at Tkibuli.[↗]

The Prosecution Service of Georgia launched an investigation into the deaths of sixteen workers as of 2019. In six cases, investigators did not find signs of crime; in seven cases, the deaths were ruled a result of safety violations; and, in three cases, they were still under investigation.[↗] Fifteen people were prosecuted; however, the Vice President of the Georgian Trade Unions Confederation complained that top management was not held accountable.[↗]

Production at the Tkibuli mines was suspended following the 2018 accidents. The Georgian Trade Union Confederation agreed with the suspension, and it insisted that safety conditions needed to improve before the mine could reopen. GIG tried to hand over ownership of Saknakshiri to the Georgian government, saying there was no possible way to upgrade the safety conditions in the mines. The proposal was rejected.[↗]

Occupational Health and Safety

The Tkibuli mines have had dire problems around the right to a safe and healthy working environment, as illustrated by the high number of workplace deaths. Almost all miners interviewed by Human Rights Watch said that they had been injured at some point in a workplace accident. 'When miners go inside, every day they expect injury or death,' one worker told an interviewer.[↗] Significant concerns expressed by the miners included: failure to seal unused pits, failure to use ropes that could protect workers from falls as well as the use of defective equipment, which included trains with malfunctioning brakes.

Miners expressed to journalists that, in order to earn their salary, they had to risk their lives.[↗] Other workers explained that pressure to maximize production led to shortcuts on safety. Nine workers and shift supervisors told Human Rights Watch that they used a coal extraction method that was ‘inherently unsafe’ but that led to more output. They also said that production targets could not be reached safely, and that, since compensation was based on unrealistically high performance, time-consuming safety measures—like reinforcing tunnels—were overlooked.[↗]

Workers said that they had repeatedly raised safety concerns with shift managers, superiors, the chief of safety and the head of the mining district, but no concerns were addressed.[↗] One former miner said that before the 2018 explosion, several workers had notified management that a ventilation pipe carrying explosive gas had ruptured, but that the company refused to repair or to replace it.[↗]

Workers also said that Saknakshiri did not provide work and safety equipment; instead, workers had to bring their own tools and protective gear.[↗]

Miners said that since the company was notified about inspections two months in advance, it had time to cover up evidence of unsafe conditions and to mislead the authorities. For example, several workers said the company covered up unused pits to conceal the use of dangerous mining methods. Even so, after the 2018 explosion, the labour inspectorate found that Saknakshiri had failed to conduct risk assessments at the mines, and that it did not meet its obligations under the law to ensure occupational safety.[↗]

A health and safety audit published in January 2019 found significant problems in the mine, including several areas where the roof and walls were broken or missing supports, risky work processes, unhealthy working conditions and a lack of firefighting equipment, despite presence of highly flammable substances like coal and methane. The audit also noted low safety standard awareness among workers, supervisors and management.[↗]

Even after the Tkibuli mines reopened under the management of Steel International Trading Company—supposedly under better conditions—workers continued to complain about significant occupational health and safety violations and poor working conditions. Shortly after the mines reopened, miners complained that the ventilation problem had not been resolved.[↗]

Just a few months later, workers in the Dzidziguri mine started a strike because of unsafe conditions. A key shaft temporarily closed, forcing workers to walk four kilometres per day through an underground ventilation tunnel in order to reach the extraction site. Five miners were taken to the hospital, allegedly due to poisoning from gas which had accumulated in the tunnel. The workers said that instead of calling an ambulance, the company administration drove the poisoned workers to the hospital in their own cars to ‘hide the incident.’ Workers claimed that the tunnel is both difficult to move through and hazardous to the miners’ health, due to exhaust gases in the entire shaft. The company said that the conditions would not be fixed for three months.

The Dzidziguri miners started a strike to protest the unsafe conditions and said they would not return to work until the problems were fixed. ‘We refused to work in the shaft because the conditions there were incompatible with our health and safety,’ one worker said. The workers also demanded that the company pay missed wages during the time the workers went on strike, as the conditions were too dangerous to work.[↗]

Workers went on strike again in June 2020 to demand improved working conditions and better salaries (see below). The workers noted faulty equipment, including a malfunctioning crane and lift. The company said that the errors were caused by employee violations of safety rules, including failure to adequately inspect the crane before each use. The company said that the lift was repaired the next day. The company later agreed to purchase new equipment, and it said that employees would receive related training.[↗]

Payment and Compensation

Workers in the Tkibuli mines noted several concerns around compensation and wages. Several said that they normally spent three hours underground every day traveling to and from extraction sites, but that they were not paid for that time. This is despite underground travel being both hazardous and essential for carrying out mining work. Workers also said they were not compensated for meetings.

Miners also said that the company regularly deducted 10 - 20% of their wages because of failure to meet unrealistic quotas or because the company determined the coal was 'of poor quality.' Workers and their representatives were not allowed to participate at weighing or assessing the coal, even though these processes are critical for determining employees' wages. Saknakshiri responded that compensation 'is entirely dependent on the results of the employee's labour.'

In June 2020, workers started a strike over salaries and working conditions. The workers demanded income tax returns from the salaries they were paid during the pandemic. The company said even though extraction had been low, it had not reduced workers' wages. The company later agreed to increase salaries.

Right to Livelihood

The suspension of the mines took a severe toll on local workers, most of whom relied on mining for their livelihood. The Georgian Trade Union Confederation argued that the coal mines were a primary source of income for residents of Tkibuli. Saknakshiri agreed to pay the miners their salaries until the mines reopened; however, three months after the mines shut down, Saknakshiri said it had run out of money and the payments stopped.

Lack of wages had severe impacts for workers and their families. Many were unable to pay their bills and utilities, and subsequently, their gas and electricity were shut off. Families complained they were unable to provide properly for their children before the school year. Employees and their families could not pay back loans, and many incurred steep penalties. 'The penalty interest is so much that even if I get my salary, all of it will be to cover the fines,' said one worker who had not received his wages and subsequently had not been able to make loan payments.

In September 2019, more than a year after operations were suspended, miners launched a protest and a hunger strike to bring attention to the overdue salaries. Later that month, Steel International Trading Company announced that it would take over the mines and pay the back wages. The company also promised to cooperate with unions and said it would reopen the mines a few months later.

Many miners were forced to leave the area due to lack of employment. Many moved to Poland in search of work. The expat miners said that they received much higher wages in Poland, but that Georgian workers were not eligible for many benefits and perks. Some ex-Tkibuli workers returned to Georgia within a few months, claiming they had been cheated and lied to, with lower wages and higher costs than promised. Some moved to Chiatura to work for Georgian Manganese—another mining company with serious labour rights issues. The ex-Tkibuli miners who stayed in Poland said that although conditions were hard, at least the conditions were safe, and they did not fear for their lives.

Human Rights Commitments

The company does not have a website; we were unable to find any publicly available human rights policies. Parent company Steel International Trading Company does not have a website either.

Saknakshiri did not respond to our questionnaire of its human rights policies. However, the previous parent company, Georgian Industrial Group, did respond to the allegations in the Human Rights Watch Report. The letter primarily focused about employment opportunities and salaries with some mention of money the company spent for technical safety.