



Dear Magnus Montan – Swedish Export Credit Corporation,

Greetings. We are writing from the Business & Human Rights Resource Centre to invite Swedish Export Credit Corporation to respond to the findings of our recent report, ‘Digging in the Shadows’. We recognise the value of Swedish Export Credit Corporation 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, Swedish Export Credit Corporation investments have been linked to allegations of severe abuse, including violence against protestors, threats to communities’ sources of livelihood, and damages to health and environment.

As explained by its website, “SEK is to promote compliance with international guidelines within the area of sustainable business relating to the environment, anti-corruption, human rights, labor conditions and business ethics.” These commitments are further explained in the owner instruction and Sweden’s state ownership policy. However, evaluations of Swedish Export Credit Corporation’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 Swedish Export Credit Corporation Investments**

- **Lydian Armenia:** 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](#).

We invited Lydian Armenia to respond; the company provided information on its human rights policies and [responded to the allegations](#).

While Swedish Export Credit Corporation’s sustainability policies are welcome and have promise, continued investment in the above projects demonstrates that SEK could do more to ensure these policies are implemented in practice.

Investors like Swedish Export Credit Corporation play a critical role in ensuring business projects in Eastern Europe and Central Asia do not infringe on human rights or contribute to severe

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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 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 Swedish Export Credit Corporation’s public commitments to human rights and sustainability, and believe in SEK’s potential role to ensure human rights are protected. We invite Swedish Export Credit Corporation 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 Swedish Export Credit Corporation has already taken action with regards to any or all of the allegations, please feel free to include that in your response.

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

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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) &  
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Business & Human Rights Resource Centre

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Senegal, South Africa, Tunisia, Ukraine, United Kingdom, United States

Dear Business & Human Rights Resource Centre stakeholders,

Thank you for your engagement in monitoring the global business and human rights landscape.

On a note of policy, SEK is guided by our Sustainable Finance Policy Sustainability-finance-policy.pdf (sek.se), which includes the Equator Principles and the OECD Common Approaches. Based on the initial review made by independent E&S consultants on, the Lydian Armenia project, the conclusion was that the project was designed to meet IFC Performance Standards.

We have a close corporation with ING bank and share their view on the project. SEK is comfortable with financing the project by following our due diligence process, for example by reviewing impact assessments; engaging independent consultants; and following up and evaluating identified risks and issues found and agree on action plans and monitoring activities. During the project, SEK has had ongoing engagement with the project together with ING bank. We are aware of and have engaged on the issues raised by BHRRC as well as other environmental and social risks raised by civil society.

Best regards

[Swedish Export Credit Corporation]

Head Sustainability