Focus, društvo za sonaraven razvoj / Focus Association for Sustainable Development	**Civilna iniciativa Ustavimo fracking v Sloveniji / Civil initiative Stop fracking in Slovenia**	
Destilator, klub trajnostnih rešitev / Destilator, Club of Sustainable Solutions	**Temno nebo Slovenije / Dark Sky Slovenia**	**MUNDI Društvo za etično sobivanje / Mundi Society for ethical co-living**
Društvo Gibanje za trajnostni razvoj Slovenije – TRS / Society Movement for Sustainable Development of Slovenia – TRS	**ONEJ - društvo prekmurske pobude / ONEJ – Society of Prekmurje Initiative**	**Inštitut za trajnostni razvoj / Institute for Sustainable Development**
EKO KROG – društvo za naravovarstvo in okoljevarstvo / ECO CIRCLE – Society for nature and environmental protection	**Društvo za razvoj butičnega turizma - Hadikova pot / Society for development of boutique tourism – Hadik's Path**	**Inštitut za mladinsko participacijo, zdravje in trajnostni razvoj / Institute for youth participation, health and sustainable development**
Združenje ROVO / Association ROVO	**Kitchen Revolution**	**Ekologi brez meja / Ecologists Without Borders**
Pravno-informacijski center nevladnih organizacij – PIC / Legal centre for the protection of human rights and environment – PIC	**Društvo Humanitas – Center za globalno učenje in sodelovanje/ Humanitas Society for human rights and supportive action**	**Umanotera, Slovenska fundacija za trajnostni razvoj / Umanotera, Slovenian Foundation for Sustainable Development**

Slovenian National Contact Point for the OECD Guidelines for Multinational Enterprises

Ministrstvo za gospodarski razvoj in tehnologijo
Kotnikova 5, 1000 Ljubljana, SI - Slovenija
nkt-oecd.mg@gov.si
+386 (1) 400 3251

UK National Contact Point for the OECD Guidelines for Multinational Enterprises

Department for International Trade
3 Whitehall Place, London SW1A 2AW, United Kingdom
UK.NCP@trade.gov.uk

cc: Ascent Resources plc, info3@ascentresources.co.uk, OECD Watch, info@oecdwatch.org

Date: 12 November 2019

Subject: Specific instance under the OECD Guidelines for Multinational Enterprises submitted to the Slovenian and UK National Contact Point (NCP) for the OECD Guidelines – Complaint against Ascent Resources plc concerning environmental and health hazards of their hydraulic fracturing activities in Slovenia, improper involvement in local political activities in Slovenia and disregard for stakeholders' concerns in Slovenia

1. Introduction to the case

1. We, the Complainants signed below, hereby file a specific instance against Ascent Resources plc for operating in violation of the OECD Guidelines for MNEs in relation to environmental and health hazards, lack of due diligence, poor engagement with stakeholders and improper lobbying activities in Slovenia. We request the Slovenian NCP with the support of UK NCP to address breaches to Chapter II., paragraphs A1, A5, A10, A11, A13, A14 and A15 resulting from Ascent Resources plc hydraulic fracturing and improper lobbying activities in Slovenia.

2. UK based multinational enterprise Ascent Resources plc, together with its subsidiary in Slovenia, Ascent Resources d.o.o., and its contractor, Geoenergo, d.o.o., is working on hydraulic fracturing, also known as fracking, in a gas field near Petišovci, Slovenia. Fracking is a technique designed to recover gas and oil from shale rock. The procedure is highly controversial from environmental and health perspective, mainly due to its use of a dangerous cocktail of chemicals, some of them carcinogenic, which may leak during drilling and contaminate groundwater and ground around the fracking site. The Petišovci site is located in an environmentally sensitive area, not far from the protected Natura 2000 and Biosphere Mura sites. Fracking happened in 2011, but now an expansion is planned. The project needs to obtain an environmental permit before proceeding with the expansion of activities. In order to obtain the necessary permits, it is possible that Ascent Resources plc, together with its subsidiary and contractor, tried to influence the Agency for Environment of Republic of Slovenia. The matter is under police investigation at the moment. Apart from that, Ascent Resources plc, together with its subsidiary and contractor, created pressures on the Ministry of Environment and Spatial Planning, threatening Jure Leben, the environmental minister at the time. Shortly after the threats, Jure Leben resigned due to accusations of corruption in his previous post, but only after a strong media attack, which is likely to have been created by the same PR agency that Ascent Resource plc and its subsidiary hired to support its media activities in Slovenia.

2. Identification of the parties

Complainants

3. We are a group of non-governmental organisations and civil initiatives working on social and ecological issues related to fossil fuels extraction in Slovenia. We monitor fossil fuel extraction activities and the consequences of their activities for the environment. Some of us have the status of organisation acting in the interest of public in the field of environmental protection, awarded by the Ministry of environment and spatial planning of Slovenia. For this reason, we monitored the activities of Ascent Resources plc and Ascent Resources Slovenia on hydraulic fracturing in Slovenia and discovered that they are not in line with the OECD Guidelines for MNEs.

The involved companies are the following:

4. MNE:

Ascent Resources plc

5 New Street Square, London, EC4A 3TW

info3@ascentresources.co.uk, https://www.ascentresources.co.uk/

+44 (0) 207 251 4905

5. Subsidiary:

Ascent Resources d.o.o.

Ascent Resources Storitve za pridobivanje nafte in zemeljskega plina d.o.o.

Glavna ulica 7, 9220 Lendava – Lendva

6. Contractor:

Geoenergo, d.o.o.

Mlinska ulica 5, 9220 Lendava – Lendva

miha.valentincic@petrol.si, https://www.petrol.eu/sl/podjetja/geoenergo-doo

+ 386 2 577 2284

7. Ascent Resources plc is an MNE headquartered in the UK. It is an independent oil and gas exploration and production company, headquartered in London and listed on AIM, whose principal asset is in Slovenia.

8. Ascent Resources d.o.o. is a fully owned subsidiary of Ascent Resources plc with headquarters in Lendava, Slovenia, and operations in Slovenia. Ascent Resources d.o.o. has a long-term contract on the implementation of joint operations with Geoenergo d.o.o. in the development of the Dolina gas and oil field in Petišovci near Lendava.

9. Geoenergo, d. o. o. is 50 % owned by Petrol d.d. and 50 % by Nafta Lendava d.o.o. The company is the holder of concession rights for the exploitation of mineral resources, crude oil, natural gas and gas condensate in the area of the Mura Depression.

3. Non-compliance with the OECD guidelines

10. We allege that Ascent Resources plc is in violation of the following provisions of the OECD Guidelines for MNEs:

3.1. Environment and health

11. Chapter II, paragraph A1, which states: 'Enterprises should contribute to economic, environmental and social progress with a view to achieving sustainable development', and Chapter V, Chapeau, which states: 'Enterprises should, within the framework of laws, regulations and administrative practices in the countries in which they operate, and in consideration of relevant international agreements, principles, objectives, and standards, take due account of the need to protect the environment, public health and safety, and generally to conduct their activities in a manner contributing to the wider goal of sustainable development.'

12. As documented in Annex I the activities that Ascent Resources plc has carried out in Petišovci in 2011 and plans to expand in the future have severe impacts on local environment and human health, but also contribute to global threat of runaway climate change. Ascent Resources plc, together with its subsidiary and contractor, has not taken adequate steps to consider and address potential environmental impacts, such as polluting (drinking) water (30-40% of the injected chemical enriched water will be absorbed at the fracturing level, hence it is not possible to exclude pollution by mixing of chemicals with water in aquifers and other water bodies), contributing to climate change, air pollution, adverse impacts on landscape and ecosystems (particularly in the nearby Natura 2000 and Mura Biosphere sites), creation of dangerous waste (that is disposed at a site, where critical values of pollutants are significantly exceeded and the Environmental Inspectorate hence had to prohibit the operation of the waste disposal site due to excessive burdening of the environment), inducing seismicity and increasing radioactivity.

13. It is important to highlight that the expansion of hydraulic fracturing activities also fully ignores the precautionary principle. The precautionary principle calls for adoption of precautionary measures when scientific evidence about an environmental or human health hazard is uncertain and the stakes are high. It is enshrined in a number of international treaties on the environment, in the Treaty on the Functioning of the European Union and the Environmental protection act of Slovenia.

14. Apart from breaching precautionary principle, the environmental and health impacts of the expanded hydraulic fracturing activity of Ascent Resources plc constitute a breach of the OECD guidelines because they are in strong collision with the goals for achievement of sustainable development, and hence not in line with the demand that there should not be any contradiction between the activity of multinational enterprises and sustainable development. As a matter of fact, the impacts of hydraulic fracturing are deemed so hazardous for the environment and human health that some countries have put a full ban on this activity (e.g. Ireland, France and Bulgaria in the EU), while many countries have temporary bans or moratoriums on hydraulic fracturing in place (e.g. the UK and Germany).

3.2. Exemptions from regulations

15. Chapter II, paragraph A5, which states: 'Refrain from seeking or accepting exemptions not contemplated in the statutory or regulatory framework related to human rights, environmental, health, safety, labour, taxation, financial incentives, or other issues.'

16. As documented in Annex II, mainly with the Decision no. 35405-195/2017-34 on need for environmental impact assessment and environmental consent for Ascent Resources to undertake

further hydraulic fracturing activities, which was issued by the Ministry of Environment on 8 March 2019, but also with public statements of Ascent Resources plc and its subsidiary, Ascent Resources' contractor, Geoenergo, was and still is seeking exemptions on having to undertake environmental impact assessment and obtaining of environmental consent by claiming that hydraulic fracturing activities will not cause impacts on environment. Above mentioned Decision of the Ministry of Environment documents that Geoenergo was actively trying to avoid being subjected to regulations on environmental impact assessment and obtaining an environmental consent by renaming its activities from 're-stimulation of wells Pg-10 and Pg-11A with hydraulic fracturing' to 'maintenance of productivity in mineral extraction', claiming that a fracking well cannot be defined as a device according to the Environmental Protection Act, claiming that the activity does not represent a change of intervention, claiming that the activity will not pollute water and claiming that the activity does not represent a significant intervention into environment. For example, the claim in the permitting documentation, that the activity of hydraulic fracturing in wells Pg-10 and Pg-11A in Petišovci does not represent a change of intervention from previous activity of the wells, is not supported by public announcement, which says (emphasis added): 'First activities we are planning to do is *deepening two of the existing Wells*.' Because of the Ministry's decision to demand environmental impact assessment and environmental consent, Ascent Resources plc threatened 'that if the permits are not forthcoming they will pursue a claim for damages against the Slovenian Government in the courts.'

3.3. Involvement in political activities

17. Chapter II, paragraph A15, which states: 'Abstain from any improper involvement in local political activities.' As documented in Annex III, Ascent Resources plc was breaching the above paragraph of the OECD Guidelines by organising an active lobbying campaign from second half of 2018 till beginning of 2019 with the aim of pressuring the Ministry of Environment to complete permitting procedures without complications (without demanding environmental impact assessment and environmental consent) and in the shortest possible time. In our understanding creating such pressure constitutes improper lobbying, which is not in line with the quoted paragraph. A Transparency International report from 2017 on Combatting corruption in mining approvals[1] shows through analysing several cases, that extractive permits approval regimes are vulnerable to corruption. Corruption at the start of the extractives chain – in approvals – can have negative political, environmental, social and economic impacts that damage sustainable development and undermine good governance in the rest of the process.

18. The lobbying activities were not implemented only by Ascent Resources plc representatives, or representatives of its subsidiary and contractor, but also by representatives of British diplomacy and government. British Daily Mail quoted statements by Ascent Resources plc that 'They received personal guarantees from "senior officials of the Slovenian Environmental Agency" to get permission'. Because of detected external pressures by Ascent Resources plc on the Agency of Environment, the Minister of Environment at the time, Mr Jure Leben, demanded internal review of the permitting processes. The special commission of the Ministry of the Environment found several irregularities in the procedures for issuing permits that Ascent Resources plc and its subsidiary with contractor requested. The commission found out that the two procedures related to planned gas extraction in Petišovci violated the principles of autonomy and independence of the body and

[1] file:///C:/Users/Uporabnik/Downloads/2017_CombattingCorruptionInMiningApprovals_EN.pdf

officials. The Commission has highlighted the fact that "foreigners do not find pressures on Slovene officials unacceptable and indisputable and are ready to repeat them". For this reason, the commission proposed an investigation whether in the permitting process for gas processing plant the principle that the investor must provide the best available technology was followed. It also proposed an analysis of the professionalism and competence of persons who produced documentation for device operators and the authorization process itself. Joško Knez, director of the Environmental Agency at the time, resigned from his position, his resignation being a direct consequence of internal control at the agency's part when granting permits for gas extraction in Petišovci. Due to the pressures and threats inflicted by the project promotors to the Slovenian state authorities within the Ministry of Environment, the competent authorities, including the police, were notified and currently an investigation is ongoing (information is available in Annex IV). Minister of Environment was target of heavy threats and needed police protection at the time. Furthermore, there are allegations that Ascent Resources plc was involved in the media efforts to publicise the corruption affair of the Minister Leben, which lead to his resignation from the post of Minister of Environment (information is available in Annex III).

3.4. Due diligence and lack of mitigation measures

19. Chapter II, paragraph A10, which states: 'Carry out risk-based due diligence, for example by incorporating it into their enterprise risk management systems, to identify, prevent and mitigate actual and potential adverse impacts as described in paragraphs 11 and 12, and account for how these impacts are addressed. The nature and extent of due diligence depend on the circumstances of a particular situation.'

20. As documented in Annex II, Ascent Resources plc was breaching the listed paragraph of the OECD Guidelines by not ensuring that its subsidiary and contractor are taking all the environmental and health risks into consideration and by not preventing and mitigating potential adverse impacts of its hydraulic fracturing activities.

21. While the contractor carried out a rather good scoping exercise to identify all areas where risks are most likely to be present (they failed to identify climate impacts, though[2]), the assessment of the enterprise's involvement with the actual or potential adverse impacts identified was done in a poor manner, mostly dismissing even the significant impacts and risks as minimal and irrelevant. Although the OECD Due diligence guidance for responsible business conduct instruct MNEs to 'Stop activities that are causing or contributing to adverse impacts on RBC issues, based on the enterprise's assessment of its involvement with adverse impacts' and to 'Develop and implement plans that are fit-for-purpose to prevent and mitigate potential (future) adverse impacts' (both quotes from point 3.1) Ascent Resources' contractor does not show to be planning to stop its activities with adverse impacts. On the contrary, it plans to expand them. Furthermore, it seems that Ascent Resources' contractor did not plan for measures to mitigate and minimise risks. Ascent Resources' contractor specifically outlines in its communication with the Ministry of Environment that the measures, which could be interpreted to be measures to mitigate and minimise risks and adverse impacts on environment (such as having equipment for quick capturing of pollutants – pump and storage containers, postponing the time of fracturing in case of unusual weather events, or having staff

[2] Climate aspect was highlighted as an important issue in the OECD co-organised Responsible Business and Human Rights Forum 2019 https://www.rbhrforum.com/.

capable of prompt action in case of unexpected events), cannot be considered as measures to mitigate adverse environmental or health impacts, but as expert and technical measures that are a part of the business-as-usual hydraulic fracking activity. Their communication reveals that the company did not invest effort into risk-based due diligence and preventing and mitigating potential adverse impacts of its hydraulic fracturing activities.

3.5. Business partners

22. Chapter II, paragraph A11, which states: 'Avoid causing or contributing to adverse impacts on matters covered by the Guidelines, through their own activities, and address such impacts when they occur.' and paragraph A13, which states: 'In addition to addressing adverse impacts in relation to matters covered by the Guidelines, encourage, where practicable, business partners, including suppliers and sub-contractors, to apply principles of responsible business conduct compatible with the Guidelines.'

23. As documented under sub-sections 3.1., 3.2., 3.3., 3.4. and 3.6., Ascent Resources plc has failed to enact the quoted paragraphs 11 and 13 with a view on their subsidiary Ascent Resources d.o.o. and contractor Geoenergo d.o.o.

24. Ascent Resources plc contributes to the harms on ground through its subsidiary and contractor, especially in terms of environmental and health impacts (see details in section 3.1), and lack of due diligence and mitigation measures (see details in section 3.4). Ascent Resources plc contributes to environmental and health impacts on ground by incentivising its subsidiary and contractor to cause an adverse impact on environment and health through hydraulic fracturing activities. In the same manner Ascent Resources plc contributes to lack of due diligence and mitigation measures, by incentivising its contractor to do a poor due diligence and design insufficient mitigation measures. We assess that Ascent Resources plc's contribution to the described impacts is substantial because a) it is strongly encouraging and motivating adverse impacts in the listed fields by its subsidiary and contractor, b) it is known to Ascent Resources plc what the adverse health and environmental impacts of hydraulic fracturing are (see section 3.1) and how lack of due diligence and mitigation measures can increase the adverse impacts, and c) yet, in spite of knowing this, Ascent Resource plc actively avoids due diligence and mitigation measures (see section 3.4).

25. Ascent Resources plc both causes and contributes to the harms on ground through its subsidiary and contractor in respect to seeking exemptions from regulations (see details in section 3.2), involvement in political activities (see details in section 3.3), and lack of stakeholder engagement (see details in section 3.6). Ascent Resources plc is openly seeking exemptions from regulations, is involved in political activities and fails to engage with stakeholders to understand their concerns about hydraulic fracturing activities in Slovenia. In the three listed areas the contribution of Ascent Resource plc to adverse impacts is substantial because a) it is strongly encouraging and motivating adverse impacts by its subsidiary and contractor in the listed fields, and b) it is or it should be known to Ascent Resources plc what are the adverse impacts of its actions in the listed three areas.

26. Because of the listed contributions of Ascent Resources plc, they have corresponding responsibilities. Ascent Resources plc both causes and contributes to adverse impacts as described above and has corresponding responsibilities to cease or prevent its causation and contribution and provide or cooperate in the provision of remedy.

3.6. Stakeholder engagement

27. Chapter II, paragraph A14, which states: 'Engage with relevant stakeholders in order to provide meaningful opportunities for their views to be taken into account in relation to planning and decision making for projects or other activities that may significantly impact local communities.'

28. As documented in Annex VI, Ascent Resources was breaching the listed paragraph of the OECD Guidelines by avoiding engagement with the relevant stakeholders. Civilna iniciativa ustavimo fracking v Sloveniji (Civil Initiative Stop Fracking in Slovenia) is active since 2012. During their existence, Ascent Resources plc, together with its subsidiary and contractor, have not engaged with the local people.

29. The initiative and other actors have publicly expressed their concerns about the environmental and health effects of fracking on several occasions:

- Petition 'Stop fracking in Slovenia' from January 2015, which gathered over 3.100 signatures. These were handed to Irena Majcen, the Minister of Environment at the time.

- Consultation on gas refinery at Ministry of Environment and protest against fracking in May 2015. Ministry of Environment organised a consultation within the permitting procedure on refinery Petišovci, whereby numerous activists, initiatives and local representatives protested against fracking. Their demands to stop plans for fracking due to its hazardous impacts on health and environment were brought to the attention of the Ministry of Environment and the wider public.

- It is evident from the procedure for obtaining an environmental permit for gas refinery in Petišovci (permit no. 35407-11/2014-56, issued on 28 March 2019 by the Ministry of Environment), two non-governmental organisations expressed concern against hydraulic fracturing on account of its adverse environmental and health impacts.

- On 2 October 2016, the civil initiative organised a debate 'European view on fracking' in Lendava, where together with a Slovene MEP they presented their concerns about the effect of fracking on environment and health. At this occasion Ascent Resources' subsidiary and contractor granted engagement with the Civilna iniciativa ustavimo fracking v Sloveniji, by agreeing to take part in public debate. However, in the debate, the representatives of Ascent Resources' subsidiary and contractor merely tried to convince the public about the benefits of their project, rather than listening to the issues and fears of the gathered public. So far there was no dialogue about the specific issues that the Civilna iniciativa ustavimo fracking v Sloveniji raised.

4. Other relevant international standards the NCP should take into account when considering the complaint

30. Although companies are not subject to international climate treaties, such as the UNFCCC or Paris Agreement, businesses have an obligation and responsibility to engage on efforts to revert dependency on fossil fuels. It is of utmost importance to highlight that the activities of Ascent Resources plc will be contributing to greenhouse gas emissions and hence to climate change. Although promoted as a 'cleaner' energy source, hydraulic fracturing is an activity that contributes to climate change. Significant methane leaks by fracking operations into the atmosphere outweigh any benefit of fracking for natural gas. Fracking activity is direct collision to the objective revert climate

change, also due to diverting funds from investment into renewable energy and energy efficiency. Hence it is relevant to view the Ascent Resource plc activities also through the prism of the international climate treaties and efforts to combat climate change.

31. The activities of Ascent Resources plc represent a breach of several principles of the UN Guiding Principles on Business and Human Rights. According to those principles, the corporate responsibilities of Ascent Resources plc are to respect human rights in all operations, protect human rights, have policies and processes in place to protect human rights, have human rights due diligence procedures, identify and address human rights issues and conduct consultation, build indicators to track effectiveness of responses to issues related to human rights, provide and collaborate in remediation actions, comply with the law and address compliance and prevent and mitigate the most severe human rights issues. However, Ascent Resources plc and its subsidiary and contractor fail to meet many of these responsibilities, the main failures being lack of due diligence on human rights, consultation on human rights and preventing and mitigating the human rights issues. These failures are similar in nature to the failures in respecting the OECD Guidelines for MNEs. The principles that Ascent Resources plc, together with its subsidiary and contractor, fails to respect are the Guiding Principles 12, 13, 15 and 23. List of human rights affected by hydraulic fracking activities is available in Annex V.

5. Jurisdiction over the complaint

32. As specified before, under point 4., on breaching Chapter II, paragraph 14, of the OECD Guidelines, over the years, Ascent Resources plc and its subsidiary and contractor have ignored concerns raised regarding hydraulic fracturing activities in Slovenia. In light of the Ascent Resources plc lack of engagement so far, we hope that the Guideline's specific instance procedure can help resolve our issues.

33. According to the OECD Guidelines (Part II, paragraph 23), issues should be dealt with by the NCP of the country in which the issues have arisen. As the alleged violations of the OECD Guidelines take place in Slovenia, an OECD country, we ask the Slovenian NCP to consider the complaint and lead the handling of the complaint. Additionally, we are requesting that the UK NCP is fully informed about the complaint and involved in a helping capacity, because of Ascent Resources plc being a British company that needs to ensure responsible business conduct in a global context.

34. We believe the complaint to be admissible by the Slovenian NCP because it meets the admissibility criteria of the OECD guidelines (Part II, paragraph 23) as shown below:

• the groups of civil society organisations and civil initiatives submitting the complaint are a) representing the people from the area of the project, who will be directly impacted by the project and b) have the status of acting in the interest of public according to the Slovenian legislation, both meaning that the concerned parties have a strong interest in the matter of this complaint;

• the issues raised in this complaint are material and substantiated;

• there is direct a link between Ascent Resources' activities and the alleged breaches of OECD Guidelines that are subject of this specific instance;

• the applicable law and procedures, including court rulings, are relevant, as it is described in the previous section on 'Other relevant international standards' (section no. 4);

• on details how similar issues have been, or are being, treated in other domestic or international proceedings, please see section on 'Interference with parallel proceedings' (section no. 8);

• the consideration of the issues raised in this complaint would contribute to the purposes and effectiveness of the Guidelines.

6. Previous attempts at resolution of the case

35. As described in section on 'Stakeholder engagement', various actors, from NGOs to civil initiative Stop Fracking in Slovenia, have repeatedly expressed their opposition to hydraulic fracturing on account of too grave risks for environment and health. So far the companies involved showed no interest in discussing these concerns.

7. Requests to the NCP and the companies

36. As previous attempts to raise concerns have been largely ignored by Ascent Resources plc and its subsidiary and contractor, we are now turning to you as the Slovenian NCP and requesting that you use your good offices to bring our concerns to Ascent Resources plc and facilitate a dialogue aimed at discontinuing Ascent Resources' hydraulic fracking activities and investments in Slovenia on account of those activities representing a grave breach of the OECD Guidelines. We ask the UK NCP to extend support to the Slovenian NCP in handling the complaint.

37. We are fully committed to engaging in this process in good faith with the aim of reaching a mutually acceptable solution. However, should a mediated solution prove not to be possible, we expect that the NCP will thoroughly examine the facts of the case and make a determination as to whether Ascent Resources' actions have or have not been in line with the abovementioned provisions of the OECD Guidelines. We request the NCP to issue a public statement stating the facts of the case and their decision as to whether Ascent Resources has complied with the Guidelines. Should a mediated solution leading to discontinuation of Ascent Resources' activities and investments not be possible and should it be proven that the company indeed breaches the OECD Guidelines, we request the NCP to inform the Slovenian authorities about the breach and urge them to take this into consideration when proceeding with the permitting procedures.

38. Our request to Ascent Resources plc is that it conducts its activities in Slovenia fully in line with the OECD guidelines. Given the severity of the potential adverse impacts of the hydraulic fracking activities, we believe that abiding by the OECD Guidelines provisions to avoid adverse impacts will in this case imply that Ascent Resources plc need to stop its plans for expanding hydraulic fracking activities. Hence we request Ascent Resources plc and its subsidiary and contractor to cancel their plans for future hydraulic fracturing in Slovenia and fully withdraw from any hydraulic fracturing activities and investments in Slovenia.

8. Interference with parallel proceedings

39. The OECD Guidelines state in Part II, paragraph 26, that parties should assist NCPs in their consideration of parallel proceedings by providing relevant information on the parallel proceedings. There are no parallel proceedings that would be prejudiced by the Slovenian NCP's consideration of this specific instance.

40. However, it is important to highlight that Ascent Resources plc plans to use legal procedures against the decision of the Ministry of Environment. Namely, as mentioned above, the Ministry of Environment decided in the preliminary procedure for the intended intervention that the hydraulic fracturing operation demands an environmental impact assessment and the issuing of environmental consent. The preliminary procedure is closed, but the company is now challenging the decision of the Ministry of Environment at the Administrative Court. Apart from that, Ascent Resources made known that they plan to submit a claim for damages against the state for breach of EU law including for the unreasonably long time it took for the decision to be reached. The company will seek damages for loss of future income from the project "which would have been expected to have been a multiple of the historic investment of some EUR 50 million." It also plans to lodge an investment treaty arbitration claim under the Energy Charter Treaty. The listed procedures that Ascent Resources plc started or plans to undertake do not represent parallel proceedings to this specific instance as the parties are different (Ascent Resources plc and its subsidiary and contractor vs state of Slovenia), the regulative framework applied is different (EU/Slovenian law vs OECD Guidelines) and the outcomes sought are different.

41. Another important highlight in this section is the ongoing police investigation. Due to the pressures and threats inflicted by the project promotors to the Slovenian state authorities within the Ministry of Environment, the competent authorities, including the police, were notified and currently an investigation is ongoing. The investigation is about who caused pressures on Ministry of Environment and whether the pressures were improper. This procedure does not represent a parallel proceeding as again the parties are different (Slovenian authorities vs Ascent Resources plc), the regulative framework applied is different (Slovenian law vs OECD guidelines) and the outcomes sought are different.

42. Lastly, we wish to share information that another civil society initiative is underway, namely, and appeal to ban fracking. Three of the signatories of this complaint, Focus, PIC and Umanotera, have approached the Ministry of Environment on 13 August 2019 with an appeal to ban hydraulic fracturing activities in Slovenia. This is not a parallel proceeding because it does not focus on Ascent Resources plc, nor does it address the OECD Guidelines, hence we just share information on this initiative.

43. Should the NCPs support us in successfully fulfilling our asks from this complaint, this might be beneficial for demanding a ban on hydraulic fracturing activities in Slovenia. As shown with court rulings and governmental decisions collected in Annex VI, recent court rulings and governmental decisions are working towards preventing, stopping or banning hydraulic fracking activities on account of their hazardous impacts on environment and health. Several EU countries have put a full ban on fracking activities –Ireland, France and Bulgaria, while many countries have temporary bans on hydraulic fracturing in place (e.g. UK and Germany).

9. Confidentiality request

44. We request the NCPs not to disclose the names of individuals who sign this complaint on behalf of their civil society organisations and initiatives for privacy reasons. The other recepients of the copy of the complaint (Ascent Resources plc and OECD Watch) will receive a version without the individual names of those involved from the 17 complainants.

10. Statement of good faith to engage in the procedure

45. By submitting this complaint, we commit to engaging in the specific instance process in 'good faith' in order to resolve the issues raised in this complaint. However, the NCP and company should note that we need to keep the community informed about the progress of the complaint and may also need to respond to unsolicited enquiries from the media. We will respect the confidentiality of the proceedings when doing so.

We look forward to a written confirmation of receipt of this complaint and appreciate your assistance and leadership in resolving the issues presented in this complaint.

Kind regards,

Focus, društvo za sonaraven razvoj / Focus Association for Sustainable Development

Civilna iniciativa Ustavimo fracking v Sloveniji / Civil initiative Stop fracking in Slovenia

Destilator, klub trajnostnih rešitev / Destilator, Club of Sustainable Solutions

Temno nebo Slovenije / Dark Sky Slovenia

ONEJ - društvo prekmurske pobude / ONEJ – Society of Prekmurje Initiative

Društvo Gibanje za trajnostni razvoj Slovenije – TRS / Society Movement for Sustainable Development of Slovenia – TRS

Ekologi brez meja / Ecologists Without Borders

Inštitut za trajnostni razvoj / Institute for Sustainable Development

Pravno-informacijski center nevladnih organizacij – PIC / Legal centre for the protection of human rights and environment – PIC

EKO KROG – društvo za naravovarstvo in okoljevarstvo / ECO CIRCLE – Society for nature and environmental protection

Društvo za razvoj butičnega turizma - Hadikova pot

Inštitut za mladinsko participacijo, zdravje in trajnostni razvoj / Institute for youth participation, health and sustainable development

Društvo Humanitas – Center za globalno učenje in sodelovanje/ Humanitas Society for human rights and supportive action

Kitchen Revolution

MUNDI Društvo za etično sobivanje / Mundi Society for ethical co-living

Umanotera, Slovenska fundacija za trajnostni razvoj / Umanotera, Slovenian Foundation for Sustainable Development

Združenje ROVO / Association ROVO

List of Annexes:

Annex I: Environmental and health impacts of fracking

Annex II: Sources relate to permitting procedure of the project

Annex III: History of engagement with stakeholders

Annex IV: List of sources on Ascent Resources' improper lobbying of Slovenian authorities

Annex V: Hydraulic fracking and human rights

Annex VI: Recent court or governmental decisions to prevent hydraulic fracking activities

Annex I: Environmental and health impacts of fracking

Environmental and health concerns about hydraulic fracking are growing and some researchers warn that the impacts of fracking on the environment are much broader than the current studies have attempted to observe (Meng 2017). The environmental and health impacts studied elsewhere are relevant also for the site in Petišovci, hence some of the key findings about the environmental and health impacts of fracking are outlined below.

Impacts of hydraulic fracturing on water

During fracking, a fluid mixture pumped deep underground fractures the rock to liberate trapped natural gas, which then rises through the well to the surface. One fracking well needs about 2–20 million gal of water with proppants of sand and a complex chemical mixture that can include naphthalene, formaldehyde, and a variety of volatile organic compounds, among other substances, to be pumped into the rocks (Schmidt 2013) (Jackson et al., 2014) (Meng 2017). Chemicals in fracking fluids—although they make up only a small percentage (0.5–2.0%) of the total aqueous volume—are present in large amounts given how much water goes into a single well (Schmidt 2013).

Primary threats of fracking to water resources include drinking-water contamination through poor well integrity, surface spills and wastewater disposal (Jackson, et al. 2014).

Although occurrence is low, spills do happen (see (SNAPP) and hence there is potential contamination of drinking water through fracking. Fracking pollutants have been found in groundwater and drinking water in proximity to fracking sites. Research shows that levels of hazardous pollutants, such as toluene, 2-Butoxyethanol, arsenic, selenium, strontium, and total dissolved solids, can be higher in water wells close to fracking wells (Jackson, et al. 2014) (Meng 2017) (Kovats, et al. 2014) (U.S. EPA 2016). Also, leakage of gas (methane) into the water table is often reported (Meng 2017) (Stamford and Azapagic 2014). High levels of methane in drinking-water supplies create a risk of explosions and asphyxiation hazards for households (McDermott-Levy, Kaktins and Sattler 2013). The closer a site is to a hydraulic fracking well, the greater the hydraulic impacts associated activity will have on the surrounding environment. There is a higher probability of the groundwater and drinking water wells which are located within 1 km of a fracking having been polluted by gas and fracking chemicals. (Meng and Ashby 2014)

In the case of Petišovci wells, it is planned that from 300 m3-600 m3 of water with chemicals will be injected for each fracturing phase, with 3-5 fracturing phases per fracking procedure, i.e. 1.800 m3 of water per well. The fracturing liquid will be injected at depth between 2.700 – 3.500 m. The liquid, which will resurface after fracturing will represent 60-70% of the whole injected quantity. Because 30-40% of the injected chemical enriched water will be absorbed at the fracturing level, the Nature protection institute of Slovenia and Office for chemicals of Slovenia believe that it is not possible to exclude pollution by mixing of chemicals with water. In case of mistakes or accidents the hazardous chemicals could reach aquifers and other water bodies. The area of planned fracturing is in water protection area, where permits exits for drinking water use for public and private use. Ground water in the fracking area is very vulnerable as it is at only several meters of depth and reaches surface easily during storms. Additional problem is that the present underground and surface waters do not have a strong regeneration capacity. Hydraulic fracturing area is as close as 50-10 m to a watercourse and less than 1 km from the Mura river. About 300 m away is a well for thermal and mineral water (Agencija za okolje RS 2019). For wastewater see section on waste.

Impacts of hydraulic fracturing on air

The air is significantly impacted by fracking operations, including by the release of methane. Potential emissions during production and processing of the shale gas include fugitive emissions of natural gas or oil vapours from equipment leaks, intentional venting from oil and produced-water storage tanks and wastewater ponds, and incomplete combustion during flaring (Jackson, et al. 2014). Fugitive emissions can include the strong greenhouse gas methane, VOCs, including aromatics such as the carcinogen benzene and the hazardous air pollutant toluene; and, sometimes, contaminants such as H2S; natural gas–powered compressor engines and flaring units at pads and centralized processing and compression facilities also contribute CO2, CO, NOx, VOCs such as formaldehyde, PM (soot), polycyclic aromatic hydrocarbons, and, potentially, SO2 emissions from H2S oxidation (Jackson, et al. 2014) (Kovats, et al. 2014). Some evidence suggests that emissions are relatively small for most facilities and components, but aggregate emissions can sometimes be substantial (Jackson, et al. 2014).

It is worth highlighting that methane emission from fracking is a major contribution to fracking impacts on atmosphere, with methane being more efficient at trapping radiation than CO2 and with methane leakages detected by recent atmospheric studies, with as much as 4–11.7% of leakage (Meng, The impacts of fracking on the environment: A total environmental study paradigm 2017).

The large fleets of trucks that are required to support the fracking process significantly increase ground level ozone and particulate matter (McDermott-Levy, Kaktins and Sattler 2013).

Impacts of hydraulic fracturing on landscape and ecosystems

Hydraulic fracking has the potential to cause significant impact to local environments and landscapes. The closer a site is to a hydraulic fracking well, the greater the hydraulic impacts associated activity will have on the surrounding environment (Meng and Ashby 2014). Hydraulic fracturing, with the associated construction of roads, power grids, pipelines, well pads, and water extraction systems along with increased truck traffic, has several impacts on landscape and ecosystems. It may result in increased erosion and sedimentation, increased risk to aquatic ecosystems from chemical spills or runoff, habitat fragmentation, loss of stream riparian zones, altered biogeochemical cycling, and reduction of available surface and hyporheic water volumes because of withdrawal-induced lowering of local groundwater levels (Burton, et al. 2014).

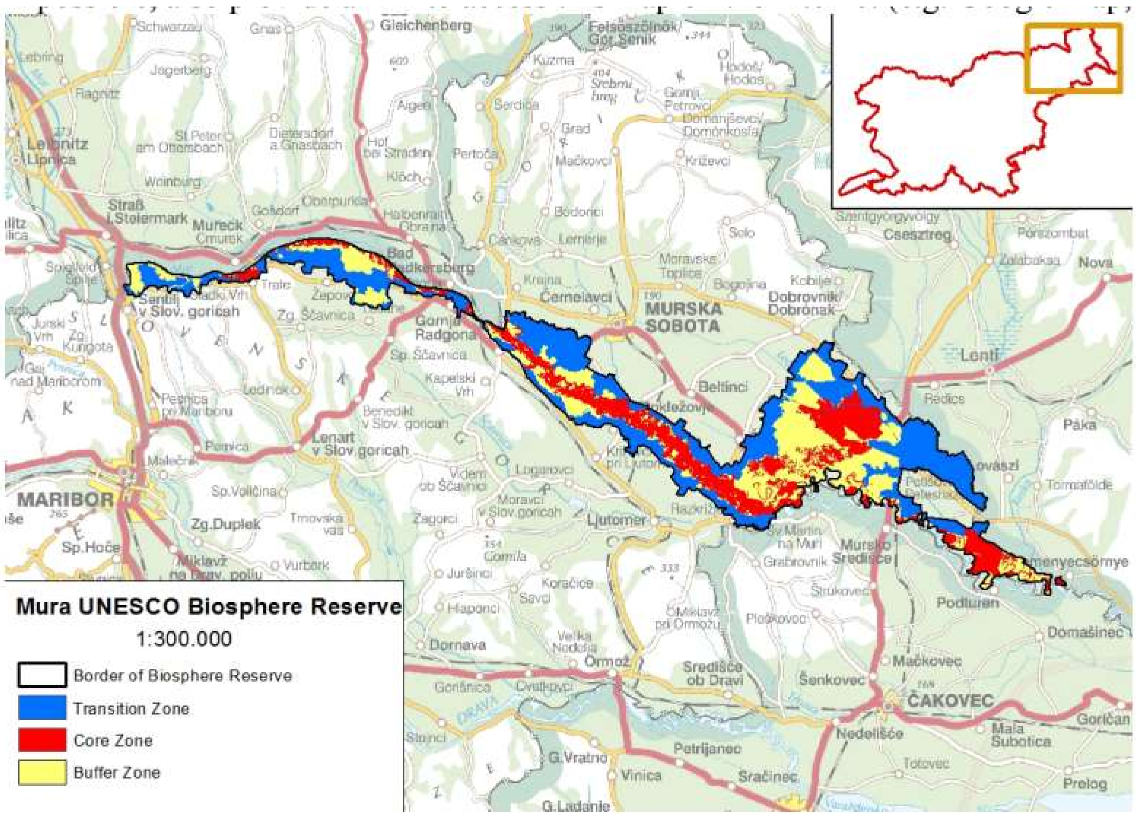
There are a number of stressors from hydraulic fracturing operations that may affect wildlife health. Exposure of wildlife to light and noise is an additional concern; the main impacts from noise would be localized disturbance to wildlife, livestock, and residents (Burton, et al. 2014). Flooding an ecosystem with excessive light can disrupt feeding, breeding, and rest patterns in micro- and mega-flora and -fauna, providing a potential for ecosystem degradation (Burton, et al. 2014).

Fracking changes anthroposphere by removing initial land cover types, creating large concrete fracking pads, and developing new transportation networks (Meng, The impacts of fracking on the environment: A total environmental study paradigm 2017). Mountaintop fracking pads and fracking pads within agricultural lands and grassland change the landform and other geomorphological characteristics, such as weathering, slope process, and mass movement (Meng, The impacts of fracking on the environment: A total environmental study paradigm 2017). The fracking sites often intrude into forest lands, agricultural lands, and grass lands (Meng 2017). Deforestation caused by fracking or converting grassland into fracking pads has deep effects on the environment, such as a

loss of habitats for animal and plant species, and could be a critical factor driving climate change locally and regionally (Meng 2017).

Combination of all these impacts may have profound effects on a region's landscape and ecosystems (Burton, et al. 2014).

The Petišovci fracking activity is located at the impact area of two Natura 2000 sites (POO Mura and POV Mura). Potential water pollution could jeopardise the ecosystems and have important influence in the protected areas (Agencija za okolje RS 2019). The fracking location is also close to UNESCO Mura Biosphere Reserve as seen below (Ministrstvo za okolje in prostor 2015).



Impacts of hydraulic fracturing on human health

Scientific study of the health effects of fracking is in its starting phase, but it does reveal increased health risks near fracking wells and further (Kovats, et al. 2014) (Meng 2017).

Chemicals are integral to the hydraulic fracturing process and perform a number of functions, yet they have intrinsic toxic properties that raise concerns. More than 75% of the chemicals were shown to possibly affect the respiratory and gastrointestinal systems as well as eyes, skin, and other sensory organs. Nearly half (40–50%) of the chemicals could affect the neurological, immune, cardiovascular, and renal systems. One-fourth of the chemicals were known, probable, or possible carcinogens. Finally, 37% of the identified chemicals could have effects on the endocrine system. The researchers also noted that 44% of the chemicals were not evaluated because they were not disclosed or they did not have adequate toxicological data (Burton, et al. 2014).

There is evidence that many of the chemicals used in fracking can damage the lungs, liver, kidneys, blood, and brain. Sheets for 41 products used in fracturing operations, assessed the chemicals used in fracturing and found that 73% of the products had between 6 and 14 different adverse health effects including skin, eye, and sensory organ damage; respiratory distress including asthma; gastrointestinal and liver disease; brain and nervous system harms; cancers; and negative reproductive effects. Some of the negative health effects appeared fairly immediately after exposure whereas others appeared months or years later, as was the case with some cancers, harm to the reproductive system, or developmental effects. Of concern is that endocrine-disrupting chemicals may alter developmental pathways, manifesting decades after exposure or even trans generationally by altering epigenetic pathways (Finkel and Law 2011).

Residents living nearest to a fracking well experience a higher human health risk due to exposure to gas emissions during the fracking process, the risk to human health being especially high among populations located within 0.8 km of a fracking well (Meng and Ashby 2014).

Common symptoms or complications among people living near fracking sites include (McDermott-Levy, Kaktins and Sattler 2013): fatigue, burning eyes, dermatologic irritation, headache, upper respiratory (difficulty breathing), gastrointestinal (severe abdominal pain), musculoskeletal (backache), neurologic (confusion, delirium), immunologic, sensory (smell and hearing), vascular, bone marrow (nosebleeds), endocrine, and urologic problems, the risk of endocrine disruption and changes in quality of life and sense of well-being.

An increase in volatile organic compounds and air toxics locally are potential health threats (Jackson, et al. 2014). The increased quantity of ground level ozone and particulate matter also affects health. Ground level ozone is a potent pulmonary irritant responsible for reduced pulmonary function and the exacerbation of asthma and emphysema. Elevations in particulate matter are responsible for an increased incidence of asthma, cardiovascular disease, chronic obstructive pulmonary disease, and cancer (McDermott-Levy, Kaktins and Sattler 2013).

Occupational hazards include occupational injuries related to drilling and motor vehicle accidents, explosions, falls, and fires and risk for developing pulmonary diseases, including lung cancer and silicosis (the latter because of exposure to silica dust generated from rock drilling and the handling of sand). At the well sites, workers can be exposed to dangerously high levels of silica (Kovats, et al. 2014) and risk for radiation exposure (McDermott-Levy, Kaktins and Sattler 2013)

The indirect impacts on health come through combustion of fossil fuels that contributes to climate change, and increased rates of asthma, cardiovascular disease, and lung cancer. Children are at higher risk than adults for developing asthma and suffering complications from asthma owing to poor air quality, which can be caused by the burning of fossil fuels. As the population ages, older adults become more vulnerable to climate related extremes in temperature and ambient air pollution (McDermott-Levy, Kaktins and Sattler 2013).

The potential health consequences of fracking may last long after the operation has concluded (McDermott-Levy, Kaktins and Sattler 2013).

Impacts hydraulic fracturing on creation of dangerous waste

Fracking leaves different types of waste behind. The key issues are drilling waste and waste water. Drilling the fracking well produces considerable quantities of waste – drilling sludge, containing toxic components such as barite (Stamford and Azapagic 2014), but also hydrocarbons, radioactive

material, and heavy metals (Finkel and Law 2011). The disposal of drilling sludge can be done in different manner; landfilling and landfarming are the most common routes, with the latter involving spreading the waste onto agricultural land (Stamford and Azapagic 2014).

It is important to keep in mind that the post-extraction clean-up costs are substantial, including restoration of damaged or contaminated streams and soil, improper handling of wastewater disposal, and improper disposal of radioactive material and hazardous waste (Finkel and Law 2011).

Wastewater from hydraulic fracturing operations will be, in the case of Petišovci, disposed in a way that it is sent to private treatment facilities. The planned operation will result in 2.160 m3 – 2.520 m3 of drilling waste (Agencija za okolje RS 2019).

According to the information we have, currently the waste from Petišovci field is shipped to company Termit, which is managing the waste disposal site Drtija close to Moravče. After the recent investigation into the functioning of the waste disposal site, Environmental Agency's report on the monitoring the Termit impact area presented results of the analysis of water and soil in the Drtija area. These show that the critical values of arsenic, copper, cadmium, chromium, nickel, lead and fluoride were significantly exceeded in five of the seven sampled sites. The critical value for zinc was exceeded at a certain depth at all five locations. This means that at five locations the soil is not suitable for the production of plants intended for human or animal consumption, and for water retention or filtering. In certain locations, materials that are not suitable to be disposed, such as electric wires, lightning rods, empty bottles, household waste, concrete pieces, etc., were also disposed of. Groundwater and leachate water are also contaminated, including metals and high levels of formaldehyde and phenols. Based on these results, the Environmental Inspectorate prohibited the operation of the waste disposal site due to excessive burdening of the environment (Vošnjak 2019).

Impacts hydraulic fracturing on induced seismicity

Increasing the pressure and injecting fracturing fluids can intersect a fault zone directly or transmit a pulse in fluid pressure that reduces the effective stress on a fault (Jackson, et al. 2014). Fracking hence induces seismicity and small earthquakes are recorded close to fracking wells (Jackson, et al. 2014) (Meng and Ashby 2014). In the UK, low-intensity earthquakes led the Government to suspend shale gas extraction nationally from May 2011 to December 2012 (Stamford and Azapagic 2014). In the beginning of 2018, the Dutch government put a stop to fracking from a major Dutch gas field within four years following a series of increasingly significant earthquakes (Boffey 2018). U.S. Geological Survey report showed in 2015 that fracking operations have led to dramatic increases in earthquakes (Petersen, et al. 2015). Likewise, fracking is reported to induce seismicity also in China (Lei, et al. 2017).

Impacts hydraulic fracturing on increased radioactivity

Fracking activities often require drilling into rock that contains naturally occurring radioactive material, such as radon, thorium, and uranium. Rock cuttings containing naturally occurring radioactive material may be buried at the drilling site or taken to a landfill. However, naturally occurring radioactive material is also brought to the surface intermingled with fracking fluids and subsequently deposited in open lined pits or holding tanks as waste. While awaiting permanent disposal, the radioactive materials become concentrated, producing “technologically enhanced

naturally occurring radioactive material", to which workers may be exposed at the drilling site or through the spilling of waste material during transport (McDermott-Levy, Kaktins and Sattler 2013)

In locations where naturally occurring radioactive material– bearing produced water and solid wastes are generated, mismanagement of these wastes can result in radiological contamination of soils or surface water bodies. Elevated concentrations of naturally occurring radioactive materials, most commonly 226Ra and 228Ra, have been observed in flowback waters (Burton, et al. 2014).

Bibliography

Agencija za okolje RS. 2019. "Decision no. 35405-195/2017-34." Ljubljana: Agencija za okolje RS.

Boffey, Daniel. 2018. "Gas field earthquakes put Netherlands' biggest firms on extraction notice." *The Guardian*, 18 01. Accessed 07 23, 2019. https://www.theguardian.com/environment/2018/jan/23/gas-field-earthquakes-put-netherlands-biggest-firms-on-extraction-notice.

Burton, G.A., N. Basu, B.R. Ellis, K.E. Kapo, S. Entrekin, and K. Nadelhoffer. 2014. "Hydraulic "Fracking": Are surface water impacts an ecological concern?" *Environmental Toxicology and Chemistry* 33 (8): 1679–1689.

Finkel, M. L., and A. Law. 2011. "The Rush to Drill for Natural Gas: A Public Health Cautionary Tale." *American Journal of Public Health* 5 (101): 784–785.

Jackson, R. B., A. Vengosh, J.W. Carey, R.J. Davies, T.H. Darrah, F. O'Sullivan, and G. Petron. 2014. "The Environmental Costs and Benefits of Fracking." *Annual Review of Environment and Resources* 39 (1): 327–362.

Kovats, Sari, Michael Depledge, Andy Haines, L.E. Fleming, Paul Wilkinson, S.B. Shonkoff, and Noah Scovronick. 2014. "The health implications of fracking." *The Lancet* 383 (9919): 757 – 758.

Lei, X., D. Huang, D. Su, G. Jiang, X. Wang , H. Wang , X. Guo , and H. Fu. 2017. *Fault reactivation and earthquakes with magnitudes of up to Mw4.7 induced by shale-gas hydraulic fracturing in Sichuan Basin, China.* Scientific report, Springer Nature.

McDermott-Levy, B.R., N. Kaktins, and B. Sattler. 2013. "Fracking, the Environment, and Health." *American Journal of Nursing* 113 (6): 45–51.

Meng, Q. 2017. "The impacts of fracking on the environment: A total environmental study paradigm." *Science of The Total Environment* (580): 953–957.

Meng, Q., and S. Ashby. 2014. "Distance: A critical aspect for environmental impact assessment of hydraulic fracking." *The Extractive Industries and Society* 1 (2): 124–126.

Ministrstvo za okolje in prostor. 2015. "Biosphere Mura." http://www.mop.gov.si/fileadmin/mop.gov.si/pageuploads/osnutki/biosferno_obmocje_Mura.pdf.

Mooney, C. 2011. "The Truth about Fracking." *Scientific American* 5 (305): 80–85.

Pansios, Anastasia. n.d. *8 States Dealing With Huge Increases in Fracking Earthquakes.* Accessed 07 24, 2019. https://www.ecowatch.com/8-states-dealing-with-huge-increases-in-fracking-earthquakes-1882034407.html.

Petersen, M.D., C.S. Mueller, M.P. Moschetti , S.M. Hoover, J.L. Rubinstein, A.L. Llenos, A.J. Michael , et al. 2015. *Incorporating Induced Seismicity in the 2014 United States National Seismic Hazard Model—Results of 2014 Workshop and Sensitivity Studies.* U.S. Geological Survey.

Schmidt, C.W. 2013. "Estimating Wastewater Impacts from Fracking." *Environmental Health Perspectives* 121 (4): a117–a117.

SNAPP. n.d. *Visualizing Spills Data from Unconventional Oil and Gas Activity.* Accessed 07 24, 2019. https://snappartnership.net/groups/hydraulic-fracturing/webapp/spills.html.

Stamford, L., and A. Azapagic. 2014. "Life cycle environmental impacts of UK shale gas." *Applied Energy* 134: 506–518.

U.S. EPA. 2016. *Hydraulic Fracturing For Oil And Gas: Impacts From The Hydraulic Fracturing Water Cycle On Drinking Water Resources In The United States (Final Report).* Washington, DC: U.S. Environmental Protection Agency.

Vošnjak, Anita. 2019. "Predelava odpadkov v Drtiji ustavljena." *Dnevnik*, 13 July. https://www.dnevnik.si/1042892063/lokalno/osrednja-slovenija/predelava-odpadkov-v-drtiji-ustavljena-.

Willow , Anna J., and Sara Wylie. 2014. "Politics, ecology, and the new anthropology of energy: exploring the emerging frontiers of hydraulic fracking." *Journal of Political Ecology* 21: 222 – 236.

Annex II: Sources relate to permitting procedure of the project

List of sources on Ascent Resources communication about the environmental permit

1. Decision no. 35405-195/2017-34 on need for environmental impact assessment and environmental consent for Ascent Resources to undertake further hydraulic fracturing activities, which was issued by the Ministry of Environment on 8 March 2019. This decision contains relevant information on the project, as well as summarizes the communication between the Ministry of Environment and the company regarding the permitting issues. Available at: https://www.arso.gov.si/novice/datoteke/040985-t5484457.pdf (last access on 26 July 2019)

2. Information on planned operations of Geoenergo / Ascent Resources in Petišovci, which clearly indicates that the new operations will be expanded as opposed to the testing activities that were done on the two wells in 2011: 'The two new wells have not only confirmed the further commercial development potential of the field with state-of-the-art data acquisition and stimulation, but have also defined significant additional potential resource. Substantial additional reserves are likely to be confirmed by additional appraisal activity in the remainder of the field complex'. As Ascent Resources claims that no expansion of operations is planned, this is an important piece of information, showing that Ascent Resources' claims are not true. Available at: http://www.slovenski-plin.si/recent-operations.html (last access on 26 July 2019)

3. Ascent Resources' threat to claim damages from Slovenian Government in case of not obtaining a permit for fracking. Ascent CEO Colin Hutchinson is talking about the plans to claim damages from Slovenian Government. He says that if the permits are not forthcoming they will pursue a claim for damages against the Slovenian Government in the courts. Available https://www.ascentresources.co.uk/2018/12/21/ascent-ceo-colin-hutchinson-to-claim-damages-from-slovenian-government/ (last access on 26 July 2019)

4. Ascent Resources' plans to react to the unfavourable decision of the Ministry of Environment with legal redress. The decision of the Ministry is called 'manifestly wrong decision contrary to EU law' and appeal to the Administrative Court in Slovenia is announced. Ascent Resources also plans to 'submit a claim for damages against the Republic of Slovenia for breach of EU law including for the unreasonably long time it took for the decision to be reached', 'seeking damages for loss of future income from the project which would have been expected to have been a multiple of the historic investment of some €50 million'. Available at https://www.investegate.co.uk/ascent-resources-plc--ast-/rns/permitting-update/201906140700051797C/ (last access on 26 July 2019)

Annex III: Sources on Ascent Resources' improper lobbying of Slovenian authorities

1. Article about success of Ascent Resources' lobby activities. Article explains that the lobbying campaign of the British, who have been trying to obtain gas exploitation permits in Prekmurje for years, resulted in success as the CEO of Ascent Resources, Colin Hutchinson, informs the investors on the London Stock Exchange that "The progress we made in September gives us optimism. I believe we will get an Environmental Permit (IPPC) in a few weeks." Available at: https://siol.net/posel-danes/novice/lobisticna-akcija-uspela-kmalu-do-spornega-dovoljenja-za-crpanje-plina-v-prekmurju-479827 (last access on 26 July 2019)

2. Articles about UK's and Ascent Resources' lobby activities with Slovene Government for permit for fracking in Petišovci.

- During his visit to Slovenia, British Foreign Minister Jeremy Hunt lobbied for a permit for ecologically controversial gas extraction in Pomurje. While the Environmental Agency is still deciding whether to authorize natural gas extraction in Petisovci, British Foreign Minister Jeremy Hunt visits Slovenia to discuss Ascent Resources' investment with the Slovene Foreing Minister Miro Cerar. Article also explains that for the last two years, the British state has helped Ascent Resources through its embassy in Slovenia. In mid-November 2018, British Ambassador Sophie Honey met with the Minister for the Environment and Spatial Planning, Jure Leben, just a few days after Leben ordered internal control over the operations of the Environmental Agency (Arso) in the planned gas extraction at Petisovci. The meeting with the ambassador ended with elevated tones. Since she was interested in when Arso would issue the permits and what the results of internal controls were, Leben reported this to the Slovenian Commission for the Prevention of Corruption. The British embassy later strongly denied that Sophie Honey would in any way attempt to influence the decision-making of the Slovenian authorities. Available at: https://siol.net/posel-danes/novice/govoril-o-sovjetskih-vazalih-lobiral-pa-za-fracking-v-pomurju-491369 (last access on 26 July 2019)

- Colin Hutchinson's visit of Primer Minister Miro Cerar in February 2018 is reported, as well as meeting of Ascent Resources with 4 representatives of Ministry of Economy in July 2018. Available at: https://www.vecer.com/novi-pritiski-zaradi-petisovskega-plina-6605592 (last access on 26 July 2019)

3. Article about suspicions of irregularities in permitting procedures for fracking. In October 2019, Jure Leben, Minister of Environment, introduced internal control of the work of the Environment Agency. A special committee is to examine in more detail the two procedures the agency conducted in connection with the planned gas extraction in Prekmurje. Available at: https://siol.net/posel-danes/novice/preverjajo-sume-nepravilnosti-pri-dovoljenjih-za-crpanje-plina-v-prekmurju-481573 (last access on 26 July 2019)

4. Ascent Resources' pressures on the Minister of Environment and need for police protection of the Minister of Environment:

- The drama over Petišovci gas extraction permits and the British company Ascent Resources appears to be one of those classic tales of a conflict between one country's sovereign right over its environmental protection standards and the profit-making interests of the international capital, backed by neoclassical economics' arguments on the beneficial effects of any foreign direct

investment on the local economies. However, this textbook ideological conflict was given another spin by an army of internet trolls, who sent a series of harassing messages to Slovenian government officials, including the Minister of Environment, which resulted in strengthening the Minister's police protection and an internal investigation into the procedures surrounding the issue of environmental permits by the Ministry's environmental agency (ARSO). With the British Ambassador also involved in lobbying for the British firm, three Slovenian political parties have also demanded that her involvement be investigated. Available at:

https://www.total-slovenia-news.com/business/2649-ascent-resources-slovenian-fracking-drama-continues (last access on 26 July 2019)

- More than 30 English emails were sent to the Environmental Agency last month, in which shareholders of English company Ascent Resources are pressuring employees of Environmental Agency to issue an environmental permit for gas extraction in Petisovci. Following the introduction of internal controls, pressures were also directed against Minister Leben, who also received threats through social networks. The Ministry provided all information to law enforcement agencies. Police have launched a criminal investigation and the minister is being protected by police. According to him, officers carry out checks on the house and other family members. A meeting was held at the Ministry of the Environment on 8 August 2018 between representatives of the British-Slovenian Chamber of Commerce, the Director of the Environment Directorate at the Ministry of the Environment, and representatives of Environmental Agency, more specifically employees in charge of the Petisovci case, were invited . The minutes of the meeting do not exist and the meeting was not reported to the Commission for the Prevention of Corruption. Available at:

https://www.zurnal24.si/slovenija/zaradi-grozenj-varujejo-ministra-za-okolje-319921 (last access on 26 July 2019)

- Environment and Spatial Planning Minister Jure Leben has come under fire from the board of directors and angry shareholders of British company Ascent Resources due to the imposition of extraordinary control over obtaining permits for gas extraction in Petisovci. Available at: https://siol.net/posel-danes/novice/razjarjeni-vlagatelji-iz-londona-grozijo-slovenskemu-ministru-482169 (last access on 26 July 2019)

- Article about reporting pressures on Agency of Environment to the competent authorities. Available at https://www.vecer.com/petisovci-prijave-zaradi-pritiskov-na-drzavne-institucije-6608109 (last access on 26 July 2019)

5. Article about the findings of the internal investigation at the Ministry of Environment on irregularities in the Petišovci permitting processes. Available at: https://siol.net/posel-danes/novice/projekt-petisovci-odnesel-sefa-agencije-za-okolje-482753 (last access on 26 July 2019)

6. Article about Ascent Resources' pressures to speed up the resolution about their complaint regarding the decision of the Ministry of environment. Available at: https://siol.net/posel-danes/novice/hidravlicno-lomljenje-britansko-podjetje-odgovor-na-pritozbo-pricakuje-v-dveh-mesecih-493947 (last access on 26 July 2019)

7. Article about possible influence of Ascent Resources on the resignation of the Minister of Environment. Jure Leben left the position of Minister of Environment because of a scandal over an expensive model of train line Divača-Koper. The scandal was subject to two weeks of media bombing, which eventually lead to the resignation of Leben. While being Minister of Environment, he must have dissapointed many interests. He tackled the issues of plastics and water monitoring, suppressed

plans on hydroelectric power plants on the Mura River and lit a red light for gas fracking in Pomurje. As the British company Ascent Resources has invested more than € 50 million in Petisovci so far, Leben's strong dislike for the project has not gone unnoticed. If we allow speculation, the British, who hired the Pristop communications agency for helping them in Slovenia, had about 50 million reasons to have someone else as minister. For example, a minister who does not publicly disclose pressures on staff from the Environment Agency or does not report improper British ambassadors' lobbying to the Commission for the Prevention of Corruption. Available at: https://siol.net/novice/slovenija/od-sendvica-do-jureta-lebna-nevarna-sarceva-igra-visokih-standardov-analiza-491457

Annex IV: History of engagement with stakeholders

1. January 2015: Petition Stop fracking in Slovenia, which was handed over to the Minister of Environment at the time, Irena Majcen, in 2015.

2. February 2015: Public debate and protest against fracking at Municipality of Lendava. The Civilna iniciativa ustavimo fracking v Sloveniji (Civil Initiative Stop Fracking in Slovenia) organised a public debate on fracking in the Municipality of Lendava, whereby the position against fracking activities was presented by the civil initiative and several other actors. More information is available at: https://4d.rtvslo.si/arhiv/slovenska-kronika/174324685, https://4d.rtvslo.si/arhiv/kje-pa-vas-cevelj-zuli/174320541

3. February 2015: The Civilna iniciativa ustavimo fracking v Sloveniji (Civil Initiative Stop Fracking in Slovenia) proposed the Lendava city council to put a moratorium on gas extraction in all gas fields in Lendava municipality. More information is available at: https://www.lendava.si/sites/default/files/datoteke/priponke/10.2._pobuda_dr._mihaela_kasasa.pdf

4. March 2015: Debate on fracking at the Faculty for social sciences in Ljubljana. More information is available at: http://komunal.org/video/propagandni/229-zaustavimo-fracking-v-sloveniji?fbclid=IwAR3nsZ5qjTunJ4pUJavZlAwdh2oxYX9N-3yKeMeMq1ud_mP74hooqfAnlnc

5. May 2015: Debate on fracking at Ministry of Environment and protest against fracking. Ministry of Environment (Agency for Environment) organised a consultation within the permitting procedure on refinery Petišovci (which is a different permitting procedure than the one for hydraulic fracturing activities), whereby numerous activists, initiatives and local representatives protested against fracking. Their demands to stop plans for fracking due to its hazardous impacts on health and environment were brought to the attention of the Ministry of Environment and the wider public. Some organisations took part in the permitting procedure as an official party of the procedure and expressed their demand to stop fracking. More information is available at: https://4d.rtvslo.si/arhiv/prvi-dnevnik/174334527, https://sobotainfo.com/novica/globalno/protesti-proti-frackingu/111205, https://alpeadriagreen.wordpress.com/2015/05/08/ustna-obravnava-na-arso-v-zadevi-rafinerija-petisovci-pred-zgradbo-potekal-protest-proti-frackingu/

6. October 2015: The Civilna iniciativa ustavimo fracking v Sloveniji (Civil Initiative Stop Fracking in Slovenia) organised a public debate on fracking in Lendava. More information is available at: http://www.ustavimofracking.si/si/objave-fracking-slo

7. June 2016: Civilna iniciativa ustavimo fracking v Sloveniji issues a press release on dangers of fracking.

Annex V: Hydraulic fracking and human rights

Hydraulic fracturing impacts the following human rights[3]:

Right to health: Fracking activity has undeniably made people sick and as such, the right to health has been and is directly affected by fracking. To the extent that further fracking activity might render more people sick in the future, the discussion around the right to health as relates to fracking is merited. Following this discussion, the connection between the right to health and the right to life cannot be clearer.

Right of access to information: Often in fracking cases access to information is limited, even when it comes to the key aspects (e.g. the very basic concern over the chemical contents of fracking fluids and how they may present a risk to the health of individuals and communities, or the flora and fauna of the impact area of fracking operations). In the United States, the oil and gas industry has succeeded in protecting the secrecy of the contents of their fracking fluids—many of which are highly toxic to human health.

Right of participation: Such procedural rights not only allow communities the legitimate opportunity to place certain aspects of fracking activity under community scrutiny and subject to social license (such as deciding that fracking will occur only in certain areas or under certain conditions) but also the equally legitimate option for a specific community to exercise its right not to allow hydraulic fracturing.

Right to remedy: Not only do States have a duty to provide transparent and accessible methods for remedy, but corporations also have a responsibility to assess and repair any harms caused. The right to remedy includes judicial, legislative, and non-governmental means. In the realm of fracking activity, remedy is becoming a key issue with communities taking complaints to national courts.

Right to a healthy environment: The intensity and expansion of hydraulic fracturing has immediate effects on the general wellbeing of the environment and thus affects the right to a healthy environment.

Right to water: Hydraulic fracturing activities are very water intensive, and could potentially add to the already existing problem of water availability for many communities. The obvious risks posed by water contamination caused by fracking activity is a key human rights dimension that encompasses the right to water discussion

Labour rights: Hydraulic fracturing activity has some specific risks associated to the safety of the work environment for labour. The sort of extractive activity involved in hydraulic fracturing is physically demanding, and is oftentimes conducted in very risky working environments, with risks to human health, to physical integrity and even poses a serious risk of death. Worker-related health risks range from exposure to toxic chemicals utilized for drilling and hydraulic fracturing and extraction due to handling of chemicals, or to the breathing of toxic fumes or fine dust particles that may circulate at the work site or near machinery and vehicles that transport chemicals and products.

---

[3] Based on https://www.ohchr.org/Documents/Issues/Business/ForumSession4/FrackingAndUNGPs.pdf and https://franciscansinternational.org/fileadmin/media/2017/Global/Publications/Fracking-Hum-Rts-Guide-2015.pdf

Human rights and climate change: Fracking, although lauded by the oil and gas industry as a new and 'cleaner' energy source, in fact is not better for the health of the climate, as it has been shown that significant methane leaks by fracking operations into the atmosphere outweigh any benefit of fracking for natural gas. Promoting fracking is in fact, promoting more fossil fuel production and consumption, which is anathema to the objective we must all embrace to revert climate change, namely to project a world with less fossil fuel consumption and more consumption of renewable clean energy. When States invest ever-more resources into unconventional gas or oil production, they are limiting the investment they can make in other more sustainable sources of renewable energy, and violating the human right to provide and secure a liveable climate. Businesses too have an obligation and responsibility to engage on efforts to revert dependency on fossil fuels. Hydraulic fracking activities, particularly if we are expanding our global dependency on fossil fuels and not evolving our energy mix towards a more renewable energy dominant paradigm will place human rights at great risk.

Human rights and atmosphere / air: Linked together with the right to a healthy environment and to the human rights and climate change discussion is the right to clean, breathable air. One of the major environmental and human rights risks associated with fracking activities is the release of excess methane gas and other toxic gases into the air and atmosphere. The typical leaks of methane and other noxious gases into the air in the diverse phases of fracking operations, are affecting human rights of workers and local communities near operations, and are also affecting climate conditions.

Right to food: Research suggests a strong link between fracking and negative impacts on farming and food quality.

Right to housing: The right to adequate living conditions and housing can be detrimentally affected by fracking in several ways. E.g. the quality of housing is affected as a result of property damage and devaluation from contaminated land and water wells, damage caused by earthquakes, and wastewater disposal and pollution. Also the quality of community life is disrupted.

Annex VI: Recent court or governmental decisions to prevent hydraulic fracking activities

1. The UK government's attempts to make fracking easier have received a setback after the high court ruled key aspects of its national planning policy to be unlawful. The court found that it was material to consider scientific evidence, including the effects on climate change, in deciding policy on fracking, and the government had failed to do so. The judgment makes it clear that one could raise climate change as a reason to object to planning permission for fracking sites. The judgment also suggested that gas from fracking might not be considered a low-carbon source of fuel. More information available at: https://www.theguardian.com/environment/2019/mar/06/high-court-rules-governments-fracking-guidelines-unlawful

2. PSR, WildEarth Guardians, and the Western Environmental Law Center sued the U.S. Department of the Interior and the Department's Bureau of Land Management in 2016 for failing to account for the climate consequences of leasing public lands for fracking. The case was won and the court rejected the leasing of public lands for fracking and ordered a halt to drilling on more than 300,000 acres in Wyoming. While the ruling applies to Wyoming, the precedent implicates oil and gas leases on public lands across the American West. More information available at: https://gbpsr.org/2019/03/21/important-court-victory-against-fracking/

3. The South Africa Republic's Supreme Court of Appeal (SCA) has recently (in July 2019) found that the exploration for petroleum by fracking should not take place until such time that it is lawfully regulated. The SCA also found that, due to a multi-ministerial agreement, Mineral Resources Minister Gwede Mantashe had been divested of the power to make regulations regarding environmental matters. More information available at: https://www.iol.co.za/capetimes/news/court-ruling-a-major-blow-for-fracking-industry-28718823

4. In April 2019 the Permanent Peoples' Tribunal formulated an Advisory Opinion on the activities included under the label of fracking and other unconventional oil and gas extraction techniques, and on climate change, with respect to their impact on the fundamental rights of affected populations and on the rights of nature. The tribunal that the existing international juridical system and documents fail to fully address the responsibilities of the State and non-State actors with respect to the spectrum of clearly documented violations of peoples and nature rights. The Tribunal also formally recognized and congratulated those countries and sub-state jurisdictions that have banned fracking, and condemn those countries and sub-state jurisdictions that have revoked bans and moratoria on fracking. More information available at: http://permanentpeoplestribunal.org/wp-content/uploads/2019/04/AO-final-12-APRIL-2019.pdf

5. Two hundred of the Netherlands' biggest companies have been told by their government to stop sourcing fuel from a major Dutch gas field within four years following a series of increasingly significant earthquakes. Extraction from the Groningen field, one of Europe's richest sources of gas, has been capped in recent years by ministers due to seismic activity in the area. More information

available at: https://www.theguardian.com/environment/2018/jan/23/gas-field-earthquakes-put-netherlands-biggest-firms-on-extraction-notice

6. Lists of countries that banned fracking or local resolutions against fracking: https://www.asmaa-algarve.org/en/blog/fracking/list-of-worldwide-fracking-country-bans, https://keeptapwatersafe.org/global-bans-on-fracking/, https://www.foodandwaterwatch.org/insight/local-resolutions-against-fracking, https://www.downtoearth.org.in/news/energy/ireland-becomes-the-fourth-eu-country-to-ban-fracking-61091