



Protecting people & the planet in 2021:

WHY INVESTORS SHOULD BETTER SUPPORT DEFENDERS DRIVING THE JUST TRANSITION TO GREEN ECONOMIES



“ Protecting the environment goes hand-in-hand
with protecting the rights of those who defend it”

UN High Commissioner for Human Rights **Michelle Bachelet**¹

Human rights defenders (HRDs) are vital leaders of a just transition to green economies,² raising concerns about risks and harms associated with irresponsible business operations, while also championing sustainable solutions. This information is essential for investors to conduct effective environmental and human rights due diligence which helps reduce their risks and create long-term value for all stakeholders.

Although there has been a significant growth in environmental, social and governance (ESG) portfolios, with ESG assets on track to exceed \$50 trillion by 2025, HRDs continue to face intolerable risks. In 2021, the Business & Human Rights Resource Centre tracked **615 attacks** against HRDs related to almost every business sector and occurring in every region of the world. In 2021, nearly 70% of attacks were against climate, land and environmental rights defenders. Between January 2015 and March 2022, we documented more than **3,870 attacks** on HRDs who were raising concerns about business-related human rights abuses. Of these, at least 765 defenders were killed.³

¹ “Protect the defenders of the planet, UN human rights chief urges,” 1 March 2022.

² The UN Environment Programme (UNEP) defines “green economies” as low carbon, resource efficient, and socially inclusive.

³ As this tracking is based on publicly available information and many attacks go unreported, the problem is significantly more severe than these figures indicate. This is compounded by a widespread deficit in government reporting on the issue. Among the 162 governments that have reported on their progress toward the Sustainable Development Goals (SDGs) through submitting Voluntary National Reviews (VNRs), only 6% shared any data on SDG target 16.10, which aims to protect fundamental freedoms and includes an indicator tracking attacks on HRDs.

Since 2015 the Resource Centre has tracked many attacks seeking to silence defenders who fight for corporate responsibility in a just transition. This includes people opposing new oil, gas, and coal extraction projects, as well as those protecting human rights in clean energy supply chains – from the boom in transition mineral mining to the installation of mega wind and solar farms.

Addressing climate change requires urgent action by governments, companies, investors and civil society. However, this transition will not be sustainable or effective if it is not just. This includes respecting the rights of HRDs, who are the champions of a just transition and a driving force for clean and safe environments, fair working conditions, accountable democratic governance, and responsible business. The “E” and “S” in ESG cannot be addressed in silos; protecting the environment and respecting the rights of HRDs are fundamentally interrelated.

Institutional investors have a responsibility to respect human rights – yet they can be connected to attacks against HRDs through their investments in companies that cause, contribute, or are directly linked to actions undermining the rights of HRDs. In order to conduct robust risk assessments, both companies and investors need to engage with and understand concerns raised by HRDs, rather than silence them. The scale of attacks against HRDs reveals a stark absence of stakeholder engagement and effective human rights and environmental due diligence by many companies and investors. By conducting robust human rights and environmental due diligence, which includes addressing risks to HRDs, investors will address both the “E” and “S” criteria, as well as create sustainable long-term financial value, while also respecting the rights of those on the frontlines protecting our planet and its people.

On the positive side, a growing number of examples, especially in the renewable energy sector, demonstrate how co-ownership and co-benefit arrangements can lead to better outcomes for both communities and companies. As one example, W Dusk Group in Canada is an Indigenous-owned company that designs, builds and develops wind and other renewable energy projects. The company consults with councils of elder community leaders on projects and the community shares the benefits of the electricity produced. This community-driven approach ensures a strong social licence for the project and helps maximise benefits for the community and the company.



Scale of attacks

In 2021, the Resource Centre tracked **615** attacks against HRDs related to almost every business sector and occurring in every region of the world. The top five most dangerous sectors all related to natural resources.

The scale of attacks linked to the mining sector is particularly concerning given the unprecedented expansion of transition mineral production needed by the renewable energy sector to achieve net zero carbon by mid-century. [International Energy Association](#) projections point to a six-fold increase in demand for transition minerals by 2040. For the past seven years, mining has been the most dangerous sector for HRDs raising serious concerns about business-related harms.

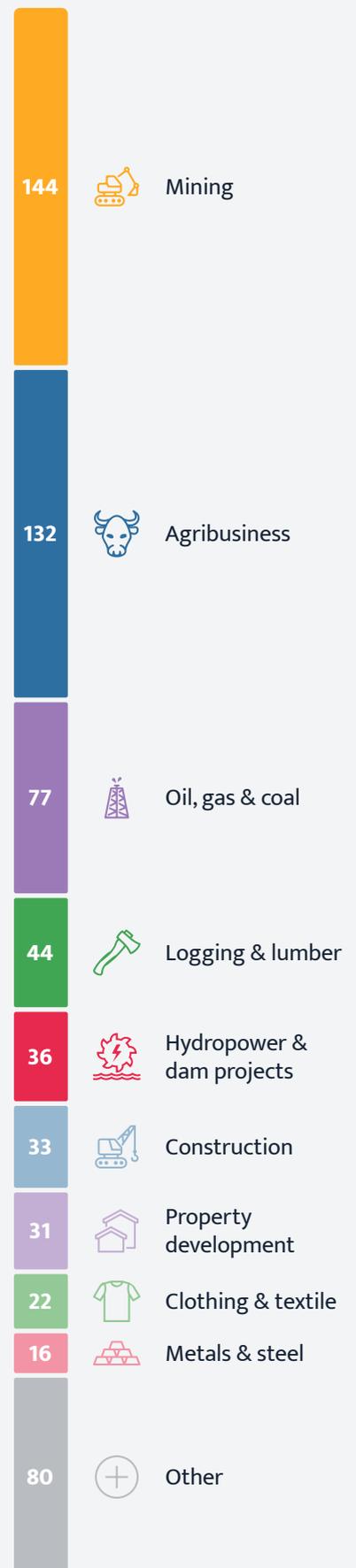
In April 2021, [José de Jesús Robledo Cruz](#) and his wife, [Maria de Jesús Gomez Vega](#), were found dead in the desert in **Mexico**. They had both opposed a local mining project for years. A card was found next to their bodies with the names of 13 other people opposing mining operations; an apparent death threat to those individuals. José and Maria had previously been kidnapped and tortured because of their human rights work.

The Resource Centre’s [Transition Minerals Tracker](#) has revealed the biggest producers of the six key minerals needed for the energy transition (cobalt, copper, lithium, manganese, nickel and zinc) are largely failing to address risks and impacts on local communities, as we continue to record attacks on civil society organisations and their leaders.

Types of attacks: In 2021, **76** people defending their rights against harmful business operations were **killed** and at least **88** cases of death threats and intimidation were recorded. Abuse of the judicial system by business and government actors is increasing, with judicial harassment constituting three in five incidents of attacks.

[Joanna Stutchbury](#), an environmental advocate who died after being shot six times near her home in **Kenya**, worked for years to protect the Kiambu forest. She vocally opposed attempts by private developers to build in the forest and, prior to her murder, had received multiple death threats because of her environmental defence work.

SECTORS RELATED TO ATTACKS ON HRDS



Most dangerous regions:

Since the Resource Centre began tracking attacks in 2015, the most dangerous regions for HRDs have consistently been Latin America and Asia and the Pacific. In 2021, the largest number of attacks were recorded in India, Mexico and the Philippines, while the largest number of killings took place in Mexico and Brazil.



Drivers of attacks: Attacks on HRDs working on business-related abuse are driven by many factors, including inadequate community consultation and lack of respect for the free, prior and informed consent of Indigenous peoples; racism and discrimination; and restrictions on civic space. Many attacks stem from companies failing to safely and effectively consult with communities affected by their operations prior to starting projects, revealing weaknesses in their due diligence process and increasing operational, legal, financial and reputational risks for both companies and investors. At least **104** attacks against HRDs in 2021 stemmed from a lack of effective consultation or free, prior and informed consent or disagreements regarding impact assessments.

Data from the Resource Centre shows Indigenous defenders experience a disproportionately high level of attacks. Indigenous peoples hold rights over and protect 25% of the earth's land surface and 80% of remaining biodiversity. They are critical guardians of our forests, green areas and wildlife which are crucial to ensuring the survival of humanity. Where Indigenous peoples have [developed and implemented their own autonomous governments and protocols](#) for free, prior and informed consent processes, they have successfully laid the foundations for rights-based engagement with states and companies. However, in most cases, they continue to be excluded from effective consultation by business actors and governments. Although Indigenous peoples comprise approximately 5% of the world's population, **18%** of attacks globally in 2021 were against Indigenous HRDs. The percentage is much higher in some regions, such as Latin America, where two in five attacks were against Indigenous defenders. In Brazil, it was **nearly half**.

Social dialogue between workers, trade unions, community members, government, business and civil society [is key to a just transition](#). Yet restrictions on workers' rights to strike, to form unions or associations, and other crackdowns on workers are pervasive worldwide. **Nearly half (45%)** the attacks on labour rights defenders and trade unionists in 2021 were linked to restrictions on their freedom of association and assembly.

Recommendations

Companies and investors are increasingly making commitments to climate action, including [promises to achieve carbon net zero](#) by mid-century. However, the same companies and investors must also introduce complementary policies expressing zero-tolerance towards reprisals against HRDs and a commitment to safe engagement with communities, workers and HRDs. Effective due diligence and risk mitigation depend upon this engagement.

Failure to respect the rights of HRDs and protect civic freedoms undermines just transition efforts as it leads to project delays, violence against HRDs and harms to affected communities and the environment. This in turn translates to legal, financial, operational and reputational risks for companies and investors involved.

To fulfill their responsibility to respect human rights and reduce the risk of harm to communities, workers and other HRDs, we recommend that investors:

- ➔ Publish a **public human rights policy** that recognises the valuable role of HRDs in identifying risks associated with business activities and commits to a zero-tolerance approach to attacks against HRDs. Clearly communicate the human rights expectations included in this policy to portfolio companies, including that companies:
 - ➔ disclose human rights and environmental-related risks;
 - ➔ engage in ongoing consultation with communities, workers, and HRDs;
 - ➔ have policies and processes to respect Indigenous Peoples' rights (including land rights and free, prior, and informed consent);
 - ➔ respect the rights of HRDs; and
 - ➔ ensure effective access to remedy when harm occurs.
- ➔ Undertake rigorous **human rights and environmental due diligence** and review potential investees for any past involvement with retaliation. Avoid investing in companies with this track record.
- ➔ Use **leverage with investee companies** that cause, contribute to, or are directly linked to human rights and environmental harms, including attacks on HRDs, so that the company mitigates negative impacts and provides access to remedy to those affected.