

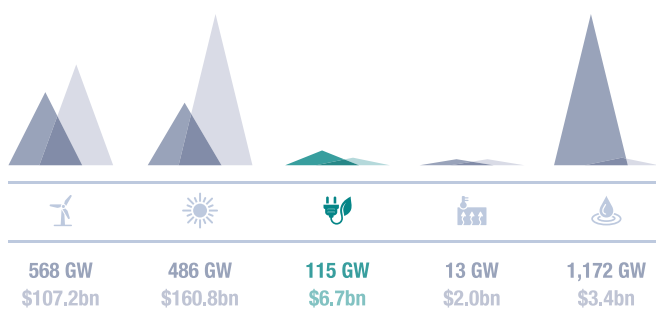
Investor Snapshot: Bioenergy & Human Rights

Bioenergy is derived from the burning or conversion of organic material into fuel. Energy can be generated from biomass produced specifically for bioenergy projects, or through “waste-to-energy” in which organic waste from agriculture and other industries is captured and converted into energy. Bioenergy projects require the largest

land footprint of any renewable energy subsector, making land rights a particular concern for this subsector. Because bioenergy is often produced alongside or as a by-product of agriculture and forestry, risks commonly associated with these industries such as deforestation and access to water carry over to bioenergy as well.

For a full data set including information on allegations, companies, and geographical distribution, see the [accompanying spreadsheet](#).

Subsector stats

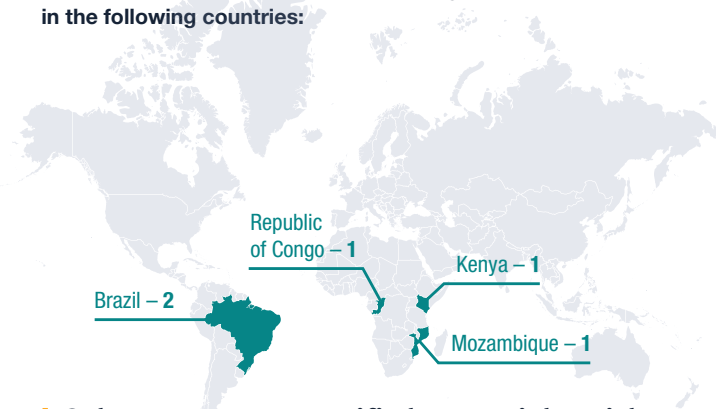


- Global installed generation capacity in 2018: **115 GW**
- Global investment in 2017: **\$4.7bn USD**

Human rights allegations

The Business & Human Rights Resource Centre has approached five companies regarding six allegations related to bioenergy projects since 2010. Companies responded to five of the allegations and did not respond to the remaining one.

Companies were approached about allegations in the following countries:



Subsector sector-specific human rights risks

Based on the five company allegations recorded by the Business & Human Rights Resource Centre, companies involved in bioenergy projects are particularly at risk for abuses of: **indigenous peoples’ rights**, including lacking **free, prior, and informed consent** (FPIC), and causing or contributing to **displacement and loss of livelihoods**; causing or contributing to **violence, intimidation, and threats** up to and including **death threats**. Additional research raises concerns related to **labour rights** including worker health and safety, and land rights including access to **food** and **water**.

Summary of company policies and practices

In 2018, the Business & Human Rights Resource Centre [surveyed](#) 17 bioenergy companies and found that:

- 11/17** 11 had a human rights commitment in place (**66%**)
- 7/11** 7 of the 11 had a commitment to ongoing consultations with affected communities (**41%** of total companies surveyed)
- 9/11** 9 of the 11 had developed a grievance mechanism for impacted communities or workers (**53%** of total companies surveyed)
- 8/11** 8 of the 11 demonstrated a commitment to respect core labour rights (**47%** of total companies surveyed)

Opportunities for investor action

Investors can engage prior to and during investment by asking companies key questions:

- Does the company have a publicly available commitment to respect human rights that refers to internationally recognised norms?
- Does the company have a human rights due diligence process in place to identify and address salient human rights risks before they become abuses?
- Does the company provide a grievance mechanism to workers and community members when rights abuses occur, as outlined by [Principle 31 of the UN Guiding Principles on Business and Human Rights](#)?
- Does the company expect its suppliers and business partners to adhere to the same human rights standards, and does it include this expectation in contracts and agreements?

See [here](#) for a list of actions investors can take to ensure renewable energy investments respect human rights.

Case studies

RED FLAGS FOR INVESTORS:

- Lack of recognition of systemic concerns about sector's contribution to harms to both environment and human rights (see [here](#))
- Lack of human rights due diligence process in place, including plans to address salient environmental and human rights issues raised by civil society through established grievance mechanisms or other processes
- Lack of plans to support small-scale farmers' rights and livelihoods
- Lack of mitigation or remediation plans for destruction of forests and other ecosystems

POSITIVE STEPS FOR INVESTORS TO LOOK-OUT FOR:

- Worker- or community-owned project or companies
- Transparent decision-making involving workers and affected communities through direct involvement and establishment of accessible grievance mechanisms
- Transparent reporting on risks and due diligence processes, including disclosing subcontractors
- Prohibition of exploitative recruitment practices

INDONESIA

DEMAND FOR BIOFUEL DRIVES HARMS TO ENVIRONMENT, LAND RIGHTS

In January 2019, 236 Indonesian NGOs and civil society leaders signed an [open letter](#) to the European Commission, warning that European demand for biofuels was driving “deforestation, land grabs, human rights violations, labour exploitation, corruption, socio-economic and political problems and ecological problems.” The letter raises concerns that the biofuel industry's high land usage marginalizes small-scale farmers and contributes to ecological damage, highlighting how the industry infringes on both human rights and biodiversity.

SWEDEN

COLLECTIVE OWNERSHIP YIELDS POSITIVE HUMAN RIGHTS RESULTS

Lantmännen Agroetanol is part of an agricultural cooperative collectively owned by 25,000 farmers in Sweden. It is also the largest biorefinery in the Nordic region. The company has a strong policy commitment to community consultation and access to remedy, including grievance mechanisms, as well as integration of human rights criteria into its Supplier Code of Conduct. Lantmännen Agroetanol [publicly reports](#) on its supply chain and project risks, including human rights risks. Its cooperative model centers the company's operations and policies around worker concerns and facilitates transparent decision-making and [growing dividends](#) for cooperative members.