

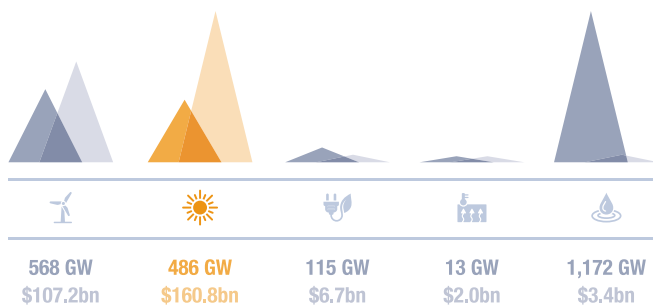


Investor Snapshot: Solar Energy & Human Rights

Solar is the fastest-growing renewable energy source. Because projects can be scaled down to community-level or individual-use production levels, solar is primely positioned to provide integrated benefits to indigenous and especially rural communities who struggle to access traditional energy sources.

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: **486 GW**

Global investment in 2017: **\$160.8bn USD**

Human rights allegations

The Business & Human Rights Resource Centre has approached seven companies facing allegations related to solar projects since 2010. Of those companies, five responded to the allegations and two did not.

Companies were approached about allegations in the following countries:



Subsector sector-specific human rights risks

Based on the seven company allegations recorded by the Business & Human Rights Resource Centre, companies involved in solar projects are particularly at risk for abuses of: **indigenous peoples' rights**, including lack of **free, prior, and informed consent (FPIC)**, and causing or contributing to **displacement and loss of livelihoods**, with specific concern for projects sited in **conflict-affected areas**, such as Israel and the Palestinian territories and Western Sahara. Additional research raises concerns related to **health and safety** of workers and the environment due to unsafe disposal of solar panels, and **labour rights** of workers in solar panel manufacturing facilities. Solar companies are also at risk of contributing to human rights abuses through their mineral supply chains. The mining of **copper, nickel, and zinc** used in solar panels is in some cases associated with decreased **access to water** for local communities, increased instances of **mining-**

related illnesses and **environmental pollution**. Furthermore, energy storage technologies frequently built in tandem with solar projects are also at risk of contributing to **child labour**, abuses of **indigenous rights**, and corruption through their **cobalt** and **lithium** supply chains.

Summary of company policies and practices

In 2018, the Business & Human Rights Resource Centre [surveyed](#) 32 solar companies, including a range of project developers and component manufacturers, and found that:¹



- 14 had a human rights commitment in place (44%)
- 8 had a commitment to ongoing consultations with affected communities (25%)
- 8 had developed a grievance mechanism for communities or workers impacted by projects (25%)
- 10 demonstrated a commitment to core labour rights (31%)

In 2019, the Business & Human Rights Resource Centre analysed the top five global producers of **copper, nickel, and zinc**. Of these 12 mining companies, **83%** had a publicly available human rights policy in place, but **92%** nevertheless had human rights allegations against them.² This indicates a misalignment between policies and practices on the ground, heightening the need for rigorous human rights due diligence by investors.

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:

- Significant boom in investments in projects on land used by indigenous peoples and/or protected areas
- Lack of cumulative human rights and environmental impact assessments of multiple projects concentrated in one area
- Lack of adequate access to information provided to local communities
- Lack of clear policy to respect indigenous peoples' rights

POSITIVE STEPS FOR INVESTORS TO LOOK-OUT FOR:

- Collaboration with NGOs, workers, and communities to strengthen realization of human rights
- Commitment to core labour rights decent jobs in a low-carbon economy

MEXICO

RENEWABLE ENERGY INVESTMENT BOOM COULD LACK SCRUTINY ON HUMAN RIGHTS AND ENVIRONMENTAL IMPACTS

In 2017, Mexico was among the top 10 countries in terms of renewable energy investment, recording \$6bn USD, an increase of 810% on the previous year. There has been particularly rapid expansion in the Yucatan peninsula, with 10 solar farms currently at different stages of development. \

As projects develop, local communities have alleged lack of adequate access to information, disregard for indigenous rights (including self-determination and autonomy), and threats against human rights defenders. In the case of a solar farm in Valladolid, a judge suspended the project, due to alleged human rights violations, including that the company did not take a Sacred Cenote into account.

In the case of SunPower's Ticul A and Ticul B solar farms, which entail deforesting 603 hectares, there have been continuous allegations of death threats, attacks, and defamation against community members. There are also allegations that the consultation process was deceitful regarding the use of land, that there were no independent specialists involved, and that opposing opinions were not adequately recorded. In 2018, the UN Special Rapporteur on the rights of indigenous peoples reported the initial contracts "... undermined the freedom of the consultation process and caused divisions and tension within the community."

The planned renewable energy projects in Yucatan are estimated to require more than 12,000 hectares of land close to protected areas, local populations, or sacred and archaeological sites. Many projects are on social property land, or ejidos. Although environmental and social assessments have been conducted for individual projects, there is not a Strategic Impact Assessment for such a concentrated installation of multiple energy projects.

UNITED STATES

CREATING SUSTAINABLE JOBS THROUGH A JUST TRANSITION

Solar Holler is a solar installation company that [helps train solar installers](#) in West Virginia in the United States, a region known for the dominance of coal mining in its economy. The company works with an NGO called Coalfield Development, which sends trainees to Solar Holler through a direct employment programme. Through this arrangement, Coalfield Development aims to mitigate the social and economic hardships the region's residents face with shrinking jobs in the coal sector. This community outreach and training also helps mitigate potential conflicts between the company and residents. Solar Holler benefits by cultivating a willing workforce that contributes to a just transition to a low-carbon economy.

1 While the majority of the companies described in this section received credit in all three categories, Contact Energy and Access Power had both a grievance mechanism and a commitment to core labour rights but did not have an overarching commitment to human rights. Contact Energy also had a commitment to ongoing consultations. This discrepancy between the commitments to specific aspects without an overarching commitment shows there is likely a lack of understanding about how to implement a comprehensive, risk-based human rights due diligence approach.

2 In 2019, the Business & Human Rights Resource Centre analysed the top five global producers of copper, nickel, and zinc. Of these 12 mining companies, 83% had a publicly available human rights policy in place, but 92% nevertheless had human rights allegations against them. This indicates a misalignment between policies and practices on the ground, heightening the need for rigorous human rights due diligence by investors.