



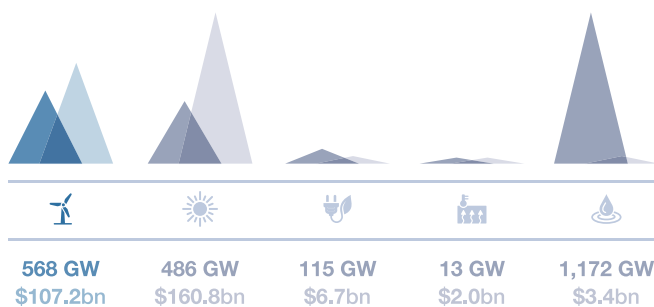
Investor Snapshot: Wind Energy & Human Rights

Increased competition in the renewable energy industry combined with more advanced technologies has led to a dramatic fall in wind power costs in recent years, with wind now [cheaper than fossil fuels](#) in some markets. The growth in production and demand is coupled in some cases with negative human rights impacts, in particular where wind project land requirements clash with the needs of existing communities. Wind farms – both on- and off-shore – are often sited

in seemingly remote areas that may appear to be at lower risk for human rights abuses. However, the global race for resources and land is forcing communities further to the margins, resulting in remote areas becoming inhabited or used for subsistence.

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: [568 GW](#)

Global investment in 2017: [\\$107.2bn USD](#)

Human rights allegations

The Business & Human Rights Resource Centre has approached 22 companies regarding 26 allegations related to wind projects since 2010. Companies responded to 15 of the allegations and did not respond to the remaining nine.

Companies were approached about allegations in the following countries:



Subsector sector-specific human rights risks

Based on the 22 company allegations recorded by the Business & Human Rights Resource Centre, companies involved in wind energy 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**. Wind energy companies are also at risk of contributing to human rights abuses through their mineral supply chains. The mining of **copper, manganese, nickel, and zinc** used in

wind turbines is often 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 wind projects are also at risk of contributing to **child labour**, abuses of **indigenous people's rights** and **corruption** through their **cobalt** and **lithium** supply chains.

Summary of company policies and practices

In 2016, the Business & Human Rights Resource Centre [surveyed](#) 19 wind power companies and found that:

13/19

13 had a human rights commitment in place (**68%**), 2 of these 13 had a commitment to free, prior, and informed consent (**11%** of all companies surveyed)

10/19

10 companies had a commitment to ongoing consultations with affected communities (**53%**)¹

In 2019, the Business & Human Rights Resource Centre analysed the top five global producers of **copper, nickel, manganese, and zinc**. Of these 16 mining companies, 75% had a publicly available human rights policy in place, but 81% 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:

- Lack of clear commitment to indigenous peoples' rights
- Lack of clear process in place for ongoing community consultations and commitment to respect free, prior, and informed consent independently of land permits
- Reports of community protests or concerns
- Reports of intimidation or threats faced by community members or other human rights defenders

POSITIVE STEPS FOR INVESTORS TO LOOK-OUT FOR:

- Indigenous or community-ownership of renewable energy projects
- Benefits sharing with indigenous and affected communities, including energy access where appropriate

MEXICO

COMMUNITY ENGAGEMENT SHOULD GO BEYOND CONSULTATIONS

In 2012, Macquarie (Australia), Mitsubishi Corp. (Japan), and PGM (Netherlands) formed a joint project called Mareña Renovables, which received a \$477 million USD investment to develop a wind farm in Oaxaca, Mexico. The power from this wind farm was to be purchased by Heineken and FEMSA (which houses the largest independent Coca-Cola bottling operations in the world). The Mexican government provided the company with land permits, however indigenous communities objected due to a lack of adequate consultations or free, prior, and informed consent. Several community members [faced intimidation and death threats](#) in response. The project was the subject of several legal and semi-judicial processes, including within the Inter-American Development Bank. The Mareña Renovables project was eventually cancelled due to sustained pressure from the community. But soon after, the same renewable energy project was authorized to Eólica del Sur, resulting in over one thousand people filing a lawsuit, claiming their human rights were violated.

Given the abuse allegations and community opposition, the project remained stalled for over six years. In November 2018, the Mexican Supreme Court ruled that consultation had in fact taken place and allowed the project to move forward. Civil society and communities have criticized the decision as it does not respect international and national human rights and indigenous rights standards for free, prior and informed consent that guarantees the participation of communities.

When projects are delayed, energy buyers such as Heineken and FEMSA and their investors may ultimately feel losses if their purchasing agreements are also delayed or fall through. This can also inhibit broader climate-focused commitments such as lowering greenhouse gas contributions.

CANADA

EMPOWERING COMMUNITIES THROUGH INDIGENOUS OWNERSHIP OF RENEWABLE ENERGY

W Dusk Group is an indigenous-owned company that designs, builds and develops wind and other renewable energy projects along with communities. The company consults with councils of elder community leaders on projects and the community shares the benefits from the electricity produced. This community-driven approach helps ensure a strong social license for the project and helps maximise benefits for the community and the company. According to W Dusk, "the empowerment of indigenous peoples is a vital step in the process of reconciliation for past injustices because it places the tool for cultural, economic and social growth where it belongs – with the people."

1 One of these companies, Renovalia, had a commitment to ongoing consultations without having an overarching commitment to human rights.

2 Some companies that had human rights policies in place did not have allegations related to their respective mineral operations, but as the preceding percentages highlight, many did have allegations despite their human rights policies.