

Business & Human Rights Resource Centre

## Renewable Energy & Human Rights Benchmark

**KEY FINDINGS FROM THE WIND & SOLAR SECTORS** 

2021 EDITION

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## Foreword



#### Mary Robinson,

Adjunct Professor for Climate Justice, Trinity College Dublin; Chair of The Elders; Former High Commissioner for Human Rights; Former President of Ireland

Inequality of power and wealth is one of the greatest obstacles to the urgent transition to clean energy economies. The COVID-19 pandemic has changed our world in the last 18 months, exacerbating existing inequalities with an increase in poverty wages and precarious work, and a stark divide emerging around the globe to vaccine distribution and access. Our urgent response to the climate breakdown must be delivered simultaneously with the pandemic response and recovery.

Far-sighted governments understand that an acceleration of renewable energy can address both climate breakdown and some economic challenges emerging from the pandemic. But this acceleration must now be undertaken with proper human rights due diligence to build a just transition to clean energy futures. Prioritising quick action over sustainable development is self-defeating. Clean energy projects that abuse community and workers' rights through land and water grabs, for instance, can stall or lead to protests and shutdowns. Only a model of climate justice will allow us to prevail.

The Business and Human Rights Resource Centre's first Renewable Energy and Human Rights Benchmark helped establish human rights within the renewable energy sector for many stakeholders. The poor company scores helped spur initial action to respect rights in the industry. The inaugural benchmark indicated a small group of leaders who were showing early signs of human rights considerations within their companies, but the average score of just 22% demonstrated there is a long road which must be swiftly traversed. The second iteration of the benchmark builds on these initial findings, suggesting some positive early signs of progress, but recognising there remains a vast need for companies to implement the necessary policies and practices.

Several companies deserve praise: they have improved their scores in indicators related to human rights due diligence (core indicators from the <u>Corporate Human Rights Benchmark</u>), indicating leading companies are beginning to embrace human rights policy and practice. However, there remains a significant deficit in policies related to land rights, Indigenous rights, land tenure, community rights and respect for human rights defenders. These findings should set off alarm bells. Indigenous Peoples are on the front line of both climate change and the expansion of mining for minerals essential for the energy transition, while also facing threats to their land and their livelihoods from renewable energy projects. Escalations of conflict around renewable energy projects are eroding the sector's social licence to operate. Abusive business models, and the loss of trust they generate, put at risk the much-needed energy transition our futures depend on.

The energy transition is urgent and non-negotiable. But it cannot be fast if it is not fair. This second benchmark provides stakeholders with welcome positive trends, some enormous challenges to tackle, and a practical guide to understand where change needs to occur to create a just transition.

## Executive summary

Since the release of our <u>previous benchmark analysis</u>, we have borne witness to another year of intensifying global drought, fires, storms, and floods – all with a backdrop of an unprecedented global pandemic. This underscores the urgent need to mitigate the climate crisis and accelerate the just transition towards clean energy.

That transition may help avoid the ecological destruction of the planet and contribute to shared prosperity and decent work for all, but it is by no means guaranteed. The renewable energy sector, like others, has struggled with a broad range of allegations of serious human rights violations and how to resolve them. Business & Human Rights Resource Centre has recorded over 200 allegations linked to renewable energy projects in the last 10 years. Almost half of these (44%) are from the wind and solar sectors. Abuses include land and water grabs, violation of the rights of Indigenous nations, and the denial of workers' rights to decent work and a living wage.

For this transition to be sustainable, it must be fast and also fair. To thrive and be successful, renewable energy companies must retain their social licence to operate or risk a backlash which could be catastrophic for their operations. Renewable energy companies and investors must therefore conduct robust human rights due diligence (HRDD) on their operations and supply chains so they can act to prevent, mitigate and remedy the human rights impacts associated with their business.

This benchmark is a tool which enables companies to achieve this goal. It uses the globally accepted international standards of the UN Guiding Principles on Business and Human Rights (UNGPs) to measure the human rights policies and practice of 15 of the largest publicly-traded wind and solar power generation companies, including two investors with significant renewable energy holdings.<sup>ℤ</sup> It makes recommendations on how companies can improve, while enabling their stakeholders to better hold them to account.

## ▲ **200+** allegations of abuse in the

renewable energy industry in the past 10 years



of allegations linked to the wind and solar sectors

Average company score

## All companies scored 0

on their commitment to respect the rights of human rights and environmental defenders The results of our second benchmark remain profoundly concerning, with an average score of just 28%. This lamentable overall performance by renewable energy companies implies major human rights risks for communities and workers, where consequences are too often tragic, and reputational and regulatory risks for companies and investors.

The worst-performing companies include **Blackrock** (13%), **Brookfield** (11%), **NextEra** (4%), **Southern Company** (3%), **Power China** (3%), and **China Nuclear Power Generation Corporation** (2%). The low scores indicate many renewable energy companies may face profound challenges dealing with legal and reputational risks associated with human rights concerns, as well as securing their access to burgeoning ESG investments. Such risk is not isolated to a single company; incidents linked to poor due diligence could rapidly undermine the whole sector's reputation.

Additionally, companies scored lowest on benchmark indicators that represent the sector's most salient human rights risks. Onshore wind and solar projects require a significant land footprint, yet no company scored points for adopting policies to explicitly respect land rights within its own operations or had policies in place that made explicit commitments to identify legitimate tenure rights holders. Similarly, no company has adopted explicit policies committing itself to non-retaliation against human rights and environmental defenders, an area of increasing concern within the renewable energy sector. Indigenous rights often intersect with abuses related to land rights and environmental defenders, yet barely one-quarter of companies had policies explicitly recognising and respecting the rights of Indigenous Peoples. Substantial and urgent improvements are required in this area, and actions to address these specific rights have the most potential to prevent significant harm.

However, there are also positive results: the total score range for benchmarked companies in the top third rose to 48%-60% compared with 38%-53% last year. **Iberdrola** (60%), **Acciona Energy** (58%) and **Energias de Portugal (EDP)** (56%) led this group and achieved the highest marks. EDP increased its score by 18% compared with last year, the largest increase in the group, showing companies can make significant policy improvements in a short period of time. These scores also demonstrate companies can take steps to identify and address material human rights risks in ways that are compatible with successful business models. Such approaches deserve credit and consideration from investors seeking more stable, long-term returns.

The average score increase for all companies was 6%, with increases ranging from 0-18%, and significantly, no company performance worsening. This shows most companies, even those with lower scores, have taken at least some steps to implement rudimentary human rights protections for communities and workers. It is worth noting the Chinese company **Jinko Solar**, which increased its score from 7% to 21% this year, moving it out of the bottom tier of benchmarked companies. This is a welcome advance given China was responsible for over 80% of the increase in annual renewable energy installations from 2019 to 2020.<sup>[2]</sup>

Most companies' score increases are the result of more robust and comprehensive human rights policies. These policies alone change little or nothing in the immediate term for those experiencing harm and abuse. Nevertheless, they are an essential first step towards companies transforming their human rights performance – once they turn these policies into practice, with the active encouragement of their investors and robust regulatory enforcement by governments. The need for the renewable energy sector to embrace human rights standards and due diligence as a strategic and moral imperative is clearer than ever.

While this year's benchmark shows modest progress from companies, the average score suggests there remains much progress to be made. Companies, investors and governments have crucial roles to play in ensuring this progress is not just maintained, but swiftly improved upon. The renewable energy sector has a fleeting opportunity to make a rights-respecting approach an integral part of the industry business model, so that this vital sector can deliver its contribution to a fast and fair transition.

Company scores	2020	2021	Change in score
Iberdrola	▼	▼	▼
	53%	60%	+7%
Acciona Energy			
	51%	<b>58</b> %	+7%
EDP	<b>20</b> 0/	56%	+18%
	38%	50%	<b>+ 10</b> %
	31%	48%	+17%
Ørsted			
	47%	48%	+ <b>1</b> %
Enel			
	44%	46%	+2%
Engie			
	28%	34%	+6%
Jinko Solar			
	7%	21%	+14%
RWE	17%	19%	+2%
	17 /0	1970	Τ <b>Ζ</b> /0
Blackrock	6%	13%	+7%
Brookfield			
	4%	11%	+7%
NextEra			
	4%	4%	_
The Southern Company			
	3%	3%	-
Power China			
	0%	3%	+3%
China Nuclear Power Generation Corporation	<b>D</b> 0/	70/	
	2%	2%	

A complete data set of company scores and list of indicators can be found <u>here</u>.

## Recommendations

Considering the limited progress and substantial challenges identified by this benchmark analysis, many of the recommendations from the previous benchmark <sup>III</sup> remain necessary and relevant and should be seen as strategic objectives for the industry in this arena. Core recommendations for this benchmark include:

#### Core recommendations to companies:

- Set a clear and urgent goal to implement human rights and environmental due diligence in operations and supply chains, alongside access to remedy, with special emphasis on land and Indigenous rights risks.
- Work to the international standards of the UNGPs. Ensure the approach is proactive and consults those at risk of abuse. Reinforce related goals with a time-bound plan, resourcing commensurate to ambition, executive oversight and board approval.
- Eeading companies should cooperate to jointly call on governments and investors to demand higher social standards.
- Seek to implement both co-benefit and co-ownership models to build long-term value and stable infrastructure.

#### Core recommendations to investors:

- Establish and publicly communicate human rights standards for all renewable energy investment (for both investors and investor-owned companies), consistent with the UNGPs and emerging official ESG standards.
- Develop an engagement plan with renewable energy investees to insist on urgent and decisive action to remove human rights and environmental risks from operations and supply chains, and the associated reputation, legal and regulatory risks.
- Enhance investors' and companies' reporting standards by incorporating more public reporting disclosure into their standard practices.

#### Core recommendations to governments:

- Accelerate growth in responsible renewable energy by introducing mandatory human rights and environmental due diligence, access to domestic and extra-territorial justice, disclosure-related standards and new green frameworks to direct investment flows to responsible renewable energy infrastructure.
- Introduce business and investor incentives, such as tax breaks for high ESG standards, to reward advances in performance.

# Analysis

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Photo by Joan Sullivan, Climate Visuals Countdown

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## **Core UN Guiding Principle Indicators** (Themes A-C)

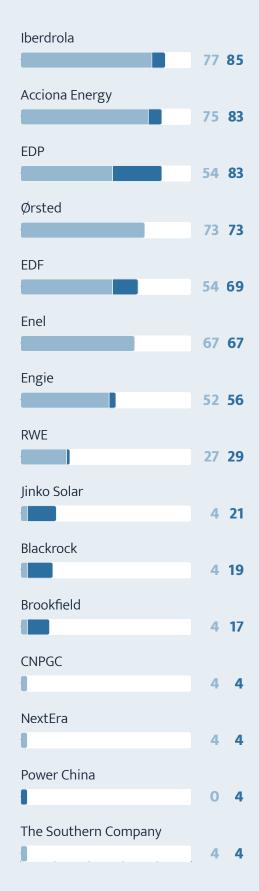
These indicators represent the core human rights approaches companies in any sector should take under the UNGPs. They come from the well-established methodology of the <u>Corporate Human Rights Benchmark</u> (CHRB) of the World Benchmarking Alliance. They should be considered the "floor" of corporate respect for human rights. We, like the CHRB, followed recognised standard practice, consulting widely to build renewable energy-specific indicators which remain loyal to the UNGPs but allow greater insight and discrimination. The Core UNGP Indicators are primarily policy and process indicators and cover the following themes:

- Theme A: Governance and policy commitments
- Theme B: Embedding respect and human rights due diligence
- O Theme C: Remedies and grievance mechanisms

Compared with last year, companies scored better on these indicators than on the more specific renewable energy sector indicators. Seven of 15 companies scored more than 50%. These seven companies are the same as in the previous benchmark. However, 11 of the 15 companies improved their overall performance in these indicators, with **EDP** having the largest improvement in score (29%) and **Jinko Solar** also showing significant gains (17%). The average company score this year was 41%, an 8% increase from last year. Three companies scored points across all indicators in this section (**EDP**, **Iberdrola** and **Acciona Energy**) compared with zero last year. This suggests a slow, but positive trend towards strengthening approaches to human rights risk identification, mitigation and remediation.

#### **Company scores**

CHRB core indicators score (%):
2020 2021



Average score

3.5/8 (44%)

### Theme A: Governance and policy commitments

These basic indicators assess the extent to which a company acknowledges its responsibility to respect human rights, and how it formally incorporates this into publicly available statements of policy.

- This indicator recorded the biggest improvement across the benchmark; the average score increased by 40% compared with last year.
- There was an increase in the number of companies with a public commitment to human rights across all their activities, from nine last year to 11 of 15 (73%) this year. Ten companies have committed to respect basic international labour rights.
- This year only one company, Southern Company, scored zero on all indicators in this theme. In contrast, last year three companies scored zero on all indicators in this theme.
- Only three companies Acciona Energy, EDP and Iberdrola received full marks for their commitment to respect international labour standards for working hours and health and safety, as well as requiring their suppliers to adhere to these commitments as well.
- Acciona Energy, Iberdrola and EDP each made public commitments to provide for or cooperate to facilitate access to remedy for affected individuals, workers, and communities where it identifies it has caused or contributed to harm. This represents an increase of two additional companies from last year. Of these, EDP was the only company whose commitment included similar obligations for its suppliers.



## Theme B: Embedding respect and human rights due diligence

These indicators assess companies' basic human rights due diligence (HRDD) commitments, management systems and processes.

#### **Key findings:**

- → Half the companies (seven of 15) (Acciona Energy, EDF, EDP, Enel, Engie, Iberdrola and Ørsted) received at least partial credit for all five indicators in this theme, earning half or more of available points for indicators within this theme. Iberdrola was the only company to receive full scores for all indicators in this theme.
- Five companies (Brookfield, China Nuclear Power Generation Corporation, Next Era, PowerChina and Southern Company) received zero scores for the entire theme; two fewer than last year's benchmark.
- While three companies saw modest increases in total scores for this theme compared with last year, most stayed constant or saw slight decreases. This may reflect a plateau effect for companies with higher scores which are finding full implementation of HRDD across all its facets challenging.
- Ompanies on average scored fewer points on indicators requiring them to describe their processes and plans to prevent, mitigate or remedy such risks, for evaluating the effectiveness of such action plans, and for communicating their company's human rights impacts, actions taken and effectiveness with relevant stakeholders.

#### Human rights due diligence: why it matters

#### A reflection from The EIRIS Foundation

The Resource Centre's benchmark offers an insight into the renewable energy industry's approaches to HRDD, showing how companies measure the human rights-associated risks and impacts of their projects. In undertaking the data collection for this year's benchmark, it became apparent some companies may be confusing human rights due diligence with audits. As shown in the Resource Centre report Beyond Social Auditing,<sup>™</sup> audits cannot be relied upon to identify misconduct and human rights harm. To reduce human rights harm, renewable energy companies as a sector need to shift their focus from the broken model of reliance on social audits to a proactive approach of assessing their risks and impacts and providing access to remedy.



Average score **4.8/12 (40%)** 

#### The difference between audits and HRDD

- HRDD starts with the company's process of identifying, measuring and addressing its salient human rights risks periodically and when something new happens. It must involve the company's stakeholders.
- Audits focus on impacts where breaches have already occurred and on monitoring corrective action, while HRDD looks for the exposure to a particular risk measured against the impact on rights-holders.
- HRDD enables companies to prepare for, prevent or mitigate human rights harm they are otherwise likely to cause.
- HRDD requires companies to develop a mechanism to stop or prevent the actual or potential human rights harms which were identified in the risk assessment. This requires time planning and demands effort, but it enables companies to proactively put measures in place to prevent breaches.
- HRDD also involves reviewing how systems and policies are performing to identify and act upon necessary improvements. Data from audits can be helpful but audits themselves may only look to fix the cases identified, rather than the systems or policies that failed to prevent them.

Because of the importance we attach to this distinction, and the rise of new due diligence laws and regulations, renewable energy companies will need to move from reliance on social audits to due diligence. This would bring a sea-change in their ability to identify salient risks, engage constructively with stakeholders and proactively build systems which effectively prevent human rights and environmental harm.

### Theme C: Remedies and grievance mechanisms

These indicators assess the extent to which a company provides remedy in addressing human rights harm. Average score 2.5/6 (42%)

- Thirteen companies received at least partial credit for having grievance mechanisms available to their workers. However, eight of these companies lost points because these mechanisms were not fully available in all appropriate languages.
- One of 15 companies received at least partial credit for having grievance mechanisms available to external stakeholders, either as stand-alone mechanisms or as part of their overall system. However, four of these companies lost points because these mechanisms were not fully available in all appropriate languages.
- Only three companies Acciona Energy, EDP and Iberdrola received partial credit for describing approaches their company would take or has taken to provide or enable timely remedy for those who have endured human rights harms they have caused or contributed to.

These six indicator themes address the most pertinent human rights risks in the renewable energy sector, based on our global and online consultations and the Resource Centre's own database of human rights allegations. Many of these risks are shared with other high-risk sectors with large land footprints, such as the extractive and agribusiness industries. These indicators cover the following themes:

- Theme D: Indigenous Peoples' and affected communities' rights
- → Theme E: Land rights
- Theme F: Security and high-risk contexts
- Theme G: Human rights and environmental defenders
- O Theme H: Labour, health, and safety
- Theme I: Right to a healthy and clean environment
- Theme J: Transparency and anti-corruption
- Theme K: Equality and inclusion

These indicators were developed through a combination of seven global in-person consultations, individual interviews and an online consultation period. More than 100 individuals participated in the consultation processes, representing civil society, Indigenous Peoples, affected communities, investors, renewable energy companies and academics, among others.

While there has been some standout improvement from a few companies – **EDF** and **EDP** both improved their individual scores by 19% and 14% respectively – overall, companies are still struggling to implement policies and procedures which effectively address the salient risks within the sector, with just under a third of companies (four of 15) showing no improvement in score.

Indigenous rights often intersect with abuses related to land rights and environmental defenders, and while significant improvement is still required in this area, there have been small advances. For example, company scores on indicators related to right to a healthy and clean environment saw the largest year-on-year improvement out of all themes. **Company scores** 

Sector-specific score (%) 2020 2021	:	
Iberdrola		
-	29	35
Acciona Energy	26	33
EDP		
	15	29
EDF		
	9	28
Enel		
	20	24
Ørsted	21	23
	21	23
Jinko Solar	10	20
Engie		
	5	13
RWE		
	8	9
Blackrock		
	8	8
Brookfield		
	4	4
NextEra		
	4	4
The Southern Company	] 1	3
Power China		
	0	1
CNPGC		•
i	0	0

### Theme D: Indigenous Peoples' and affected communities' rights

These indicators assess companies' commitments to respect Indigenous Peoples' and affected communities' rights, in line with international standards, and their approaches to benefit sharing.

#### **Key findings:**

- The average score for this indicator increased slightly, but remains dismal at 10%, especially given the high levels of abuse reported by Indigenous Peoples.
- Four companies (Acciona Energy, EDF, EDP and Iberdrola) received partial credit for making explicit policy commitments to respect Indigenous Peoples' rights in line with international standards (e.g., the UN Declaration on the Rights of Indigenous Peoples and the ILO Convention 169 on Indigenous and Tribal Peoples) compared to just one last year.
- Just under half (six) of the companies scored partial points on the indicator related to commitment to respect all affected communities' rights, however no company scored maximum points on any indicator within this theme.
- As with the previous benchmark, Enel remains the only company with a public policy outlining its approach to benefits-sharing with affected communities. However, we note some companies are using models for a few projects that incorporate some aspects of benefit-sharing.

#### Energy justice, co-ownership and co-benefit

A key part of the just transition is an acknowledgement from business that frontline communities, who are the most likely to experience and live with the harmful impacts from their operations, have also been the communities least likely to experience the social and economic benefits. They also disproportionately bear the burden of environmental costs of such business, including the growing impact of climate change. The energy transition is an opportunity for the renewable energy sector to remedy this and shift to a model of energy justice. This should include renewable energy companies seeking to incorporate or deploy models of co-ownership and co-benefit.<sup>Cl</sup> Co-ownership models, such as those in the Indigenous Clean Energy (ICE) Social Enterprise in Canada,<sup>Cl</sup> not only give affected communities ownership but also tackle energy sector can look like. Such models are not just an important part of ensuring a rights-respecting sector, but also help address the power inequality between business and communities which has been a key driver in human rights abuses which have been a hallmark of the traditional extractive sector.

Average score 0.6/6 (10%)

Average score

0.2/6 (3%)

## Theme E: Land rights

These indicators assess companies' approaches with respect to land rights, including identifying legitimate land tenure holders and implementing just and fair relocation policies.

- O Last year, no company scored any points across the three indicators included in this theme. Similarly, this year no company scores points on indicators E.1 and E.2 which cover commitments to respect land rights and processes for identifying legitimate tenure rights holders.
- There is some small but meaningful change in indicator E.3 which looks to a just and fair relocation policy, with five companies (Acciona Energy, EDF, Enel, Engie, Iberdrola) receiving partial scores.
- EDF was the only company which scored points for commitments to follow the substance of International Finance Corporation's (IFC) Performance Standard 5, when relocation for a project is determined necessary, and to the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)/ILO 169, which explicitly references provisions within UNDRIP that require no forced resettlement, FPIC and fair compensation in the event of relocation.



## Theme F: Security and high-risk contexts

These indicators assess companies' efforts to assess and respond to the risks associated with operating in or sourcing from conflict-affected and high-risk areas, including the use of private security forces.

#### **Key findings:**

- The most notable change related to two companies (EDP and Ørsted) which now receive partial credit for policies on risk identification and mitigation in mineral supply chains and describing processes for implementing the OECD Guidance on Responsible Mineral Sourcing or equivalent international standards. Zero companies received credit on this indicator last year.
- → Four companies (Enel, Engie, Iberdrola, Ørsted) received partial credit for explicit commitments to address the heightened human rights risks associated with operations in conflict-affected and/or high-risk areas, however no company policy was aligned with the recommendations from the UN Working Group report on business, human rights and conflict-affected regions.<sup>™</sup>

#### Supply chains and human rights

The COVID-19 pandemic laid bare how sensitive global supply chains are to economic shocks, underscoring the importance for companies to better understand and engage with their supply chains. This must be through the lens of securing goods and services and also in relation to how their policies and practices can shape and influence environmental and social impacts beyond their immediate operations.

During the past year, reports alleging links between forced labour and the global solar energy supply chain, which spurred some governments to issue economic sanctions in response, put labour rights issues within the renewable energy industry front and centre. In addition, the exponential increase in demand for minerals critical to renewable energy technologies is also driving other abuses within the transition mineral mining sector,<sup>™</sup> making supply chain due diligence one of the most pressing issues facing companies. National and international policy efforts to make human rights due diligence mandatory within and across industry supply chains is progressing,  $\mathbb{Z}$  with the best example being the pending implementation of EU Human Rights Due Diligence requirements in EU Member States. Companies which integrate human rights due diligence into their supply chain management systems will be better positioned to manage these new risks and pending regulatory obligations.



Average score 0.3/6 (5%)

## Theme G: Human Rights and Environmental Defenders

These indicators assess companies' commitments to respect the rights of human rights and environmental defenders, including non-retaliation.

#### **Key findings:**

- There was no change in the score on this indicator from last year. It is the only theme within the benchmark where no company is awarded points.
- → This is despite the fact the Resource Centre recorded 30 attacks against defenders in the renewable energy sector in 2020.<sup>27</sup>

## Theme H: Labour, health, and safety

These indicators assess companies' policies and practices to address fundamental labour rights, including commitments to a living wage, worker health and safety, and closing the gender wage gap.

**Key findings:** 

- Most of the companies (13 of 15) received full or partial credit for disclosing key data regarding their health and safety performance. Only **Blackrock** and **China General Nuclear Power Corporation** did not receive points.
- However, **Blackrock** was only one of two companies, alongside **EDF**, to receive credit for a commitment to pay all its employees a living wage.



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Average score 0/2 (0%)

Average score 1.5/6 (25%)

## Theme I: Right to a healthy and clean environment

These indicators assess companies' environmental and climate commitments.

Average score 1.2/6 (20%)

#### **Key findings:**

- East year only two companies scored points on commitments related to environmental impact assessment and remediation. This year six companies (Acciona Energy, EDF, EDP, Iberdrola, Enel and Ørsted) scored points in this indicator.
- Ørsted, Iberdrola and Enel also joined Jinko Solar as the four companies which scored points for reporting on the life cycle assessments of the primary technologies they use. Jinko Solar is the only company again this year which scored full points on this indicator.
- ⇒ Five companies (Acciona Energy, EDP, Engie, Jinko Solar and Ørsted) now score points for having a timebound plan in place for a just energy transition away from non-renewable energy production, an increase from three last year.

### Theme J: Transparency and anti-corruption

These indicators assess companies' policies and approaches to prevent corruption and bribery.

Average score 1.4/4 (35%)

- (e) Companies scored the highest on this indicator out of all the sector-specific indicators.
- Every company except Power China and China General Nuclear Power Corporation scored points for public policies committing to the principles outlined in the OECD Convention on Combatting Bribery of Foreign Public Officials in International Business Transactions, with seven companies (Acciona Energy, EDF, EDP, Enel, Engie, Iberdrola and Ørsted) all scoring full points for extending this requirement to all relevant suppliers and reporting on information regarding any corruption or bribery complaints or concerns the company received.
- Jinko Solar joined Acciona Energy, Enel and Iberdrola in receiving credit for providing some transparency around payments made to governments, but no company fully met this indicator.

## Theme K: Equality and inclusion

These indicators assess companies' organisation-wide commitments and initiatives to achieve gender balance and combat discrimination.

Average score 0.9/4 (23%)

- The biggest improvement in this theme was evident in company commitments and demonstrable progress towards gender balance. Last year no company scored points on this indicator. This year Acciona Energy, EDF, EDP, Engie, Ørsted and RWE all received partial credit.
- Acciona Energy, EDP, Jinko Solar and Iberdrola scored full points for conducting regular equity training for both management and staff and extending this expectation to relevant business partners. Blackrock received partial credit.



## Methodology and process overview

The Renewable Energy & Human Rights Benchmark methodology <sup>IC</sup> used in this analysis is the result of three years of research, analysis and global consultations. It establishes the first set of indicators against which renewable energy companies' human rights policies and practices can be evaluated both on an individual company level and in comparison to their industry peers. The methodology consists of two main sections: core UN Guiding Principles indicators drawn from the Corporate Human Rights Benchmark (50% weighting) and renewable energy sector-specific indicators (50% weighting).

The methodology for this iteration of the benchmark remains unchanged. This year, the Resource Centre partnered with The EIRIS Foundation in its data collection and review process.

Preliminary scores were delivered to companies in August 2021 along with an opportunity to submit additional materials or corrections. One company (E.ON) was removed from the benchmark this year after selling off its renewable energy assets, otherwise the same companies were selected for inclusion. All companies were offered the opportunity to participate in individual phone calls with the Business & Human Rights Resource Centre team to review the methodology and their preliminary scores; 11 companies requested and participated in such calls. As previously, scores were determined by an evaluation of publicly available information. Internal policies and procedures, including processes confidential due to propriety reasons, are not considered. Companies were notified of their final scores in October 2021.

The research and scoring phase concluded in September 2021, meaning any company policies or processes which may have been adopted or implemented after that date are not reflected in the final scores. We acknowledge several companies indicated they were in the process of updating or adopting new human rights policies, which were not completed in time for consideration. An internal review process is available for companies that wish to further appeal their scores.





**Business & Human Rights Resource Centre** is an international NGO that tracks the human rights impacts (positive and negative) of over 10,000 companies in over 180 countries making information available on its digital action platform in 10 languages. We seek responses from companies when concerns are raised by civil society and have made over 6,000 approaches to companies asking them to respond to specific human rights allegations. Our global response rate is 55-60%.



The **EIRIS Foundation** is a research, advice and advocacy charity that seeks to pioneer the next steps for sustainable finance. Our vision is a financial system that works for people and planet. The Foundation has over 30 years' experience of providing free and objective information on ethical finance and corporate activity to other charities and the public. For more information please visit: www.eirisfoundation.org.