DUE DILIGENCE ASSESSMENT AT PROJECT LEVEL

MARCH 2023

CONTENTS

GLOSSARY

- EIA - Social Impact Assessment
- Grenergy - Grenergy Renovables S.A. and its group companies
- Guidelines - The OECD Guidelines for Multinational Enterprises
- O&M - Operation and Maintenance
- ILO - International Labour Organisation
- UNGPs - United Nations Guiding Principles on Business and Human Rights
- EU - European Union

EXECUTIVE OVERVIEW

The due diligence process is a human rights risk management tool to identify, prevent, mitigate and account for how a company addresses actual and potential human rights impacts. It identifies and assesses actual and potential human rights risks and impacts in both own operations and supply chains.

As a fundamental pillar of its *ESG Roadmap 2023* plan, Grenergy is committed to sustainability as a key element of its business strategy, which includes a commitment to respecting the dignity and rights of people. To this end, among other actions, it is developing a human rights due diligence system, which, although currently in an incipient phase, is being built on solid pillars.

Grenergy has sought advice from BHR to assess the human rights due diligence system at the level of some of its projects (the Projects), strengthen it, and review the measures taken to manage risks arising from operations and business activities, including the Projects' supply chain. This report sets out the main findings arising from the assessment of the Projects' human rights due diligence system, including the analysis of human rights indicators at its suppliers and contractors through the conduct of a survey.

Recommendations are included to support Grenergy in reviewing its processes and implementing good practices at Project level to achieve a more robust process, some potentially scalable to other projects excluded from this evaluation. The exercise has also identified good management practices that are being implemented as well as opportunities for improvement.

The assessment and recommendations cover a wide range of issues considered to be the most relevant following a prioritisation process carried out by BHR, including:

- labour rights of Grenergy's suppliers' workers in the projects,
- The supply chain, which poses challenges in relation to working conditions at the various stages, especially the more remote ones, including the risk of exploitative or even forced labour situations;
- rights at risk in the mineral sourcing process;
- impacts on local communities and indigenous peoples; and
- corruption.

The analysis of the surveys also reveals, in general terms, that Chile's suppliers are in a better position than Colombia and, above all, Spain. In relation to suppliers, those with the poorest results are: Enerfovol, Excavaciones Encinar, Cymergy Renovables and TCM. All the suppliers analysed present some deficiency in human rights issues, but especially these should be the subject of specific training on due diligence in order to improve the overall results of Grenergy's suppliers.

In addition to these issues, and with a view to the implementation of the recommendations in the longer term, suggestions are included regarding some cross-cutting elements and human rights governance, e.g. aligning the human rights and corruption agendas. Thus, one issue that requires further attention is the limited visibility and traceability at some stages of supply chains with regard to labour rights impact risks, e.g. arising from mineral sourcing, where more robust measures and increased collaboration with other key actors are recommended.

Finally, it is relevant to mention that, along with the development of this evaluation, a relevant collateral effect of the project has been the generation of capacities and a greater understanding and awareness of human rights issues at the level of Grenergy's areas and teams.

Summary table by theme

Complaint mechanisms

Performance of due diligence system	
Level of information accessed	

Working conditions (own staff)

Performance of due diligence system	
Level of information accessed	

Supply chain Working conditions in general

Performance of the Due Diligence System	
Level of information accessed	

Supply chain Forced labour and other modern forms of slavery

Performance of due diligence system	
Level of information accessed	

Supply chain Equality and non-discrimination

Performance of due diligence system	
Level of information accessed	

Supply chain Minerals procurement

Performance of due diligence system	
Level of information accessed	

Communities

Performance of due diligence system	
Level of information accessed	

Indigenous Peoples

Performance of due diligence system	
Level of information accessed	

Right to energy

Performance of due diligence system	
Level of information accessed	

Security of persons

Performance of due diligence system	
Level of information accessed	

Corruption and transparency

Performance of due diligence system	
Level of information accessed	

1. INTRODUCTION

The corporate responsibility to respect human rights: context and trends

Since 2011, the United Nations Guiding Principles on Business and Human Rights (the *UNGPs*) state that all companies have "a responsibility to respect human rights" wherever they operate, including through their suppliers. To this end, they require companies to develop a due diligence process that enables them to identify the human rights impacts of all their activities and business relationships, prioritise their management and ensure mechanisms to prevent, mitigate and/or remedy those impacts.

The due diligence process ultimately allows for a diagnosis of risks and impacts as well as the subsequent action plan to prevent, mitigate and redress human rights impacts·

Alongside the UNGPs, legislation at national and international level is progressing in all regions. In the EU, the global epicentre of sustainability regulation, the proposed Directive on Corporate Sustainability Due Diligence has been adopted, in a broader context of measures to channel flows towards sustainable investment.

In the context of the Action Plan for Financing Sustainable Growth, the EU's "green" Taxonomy includes, in addition to environmental requirements, a minimum social standard for activities to be considered sustainable. In parallel, work is progressing on an EU Social Taxonomy or classification of activities contributing to social objectives, for which a consultation has just been launched.

Finally, the concept of *Just Transition* is a key tool to ensure that the transition to a climate-neutral economy is carried out in a fair manner, leaving no one behind, with a clear reference to social issues, including human rights.

This report assesses the management and due diligence system of the Projects with respect to some prioritised impacts and cross-cutting issues.

2. DEFINITIONS AND SCOPE

This evaluation covers selected projects in 3 countries of operation: Spain, Chile and Colombia. All the projects analysed are in the construction or operation phase.

Table 1. Projects (countries) covered by this evaluation

	Phase	Project
Spain	Operation	Escuderos
	Construction	Belinchón
Colombia	Operation	Tucanes
		Cerritos
		Los Caballeros
		Medina
	Construction	Montelibano
		Zawady/Petalo Magdalena
Chile	Operation	Quillagua
	Operation	Javiera Carrera
	Construction	Mitchi
	Construction	Condor
	Construction	Ckilir
	Construction	Lockma
	Operation	Picunche
	Operation	Javiera Carrera
	Construction	Tierra
	Construction	Nan
	Operation	Saint Emilia
	Construction	Rari
	Construction	Rosario
	Construction	Violeta
	Construction	Pangui
	Construction	Lo Miguel
	Construction	Peñaflor
	Construction	La Paz
	Construction	Arica 2

This scope poses a specific challenge, in particular in identifying areas of potential impact, as in each country, legislation, context, level of enforcement, degree of corruption, and other political, cultural, demographic, social, etc. factors may determine the level of likelihood of impact, severity, extent, etc.

To this end, country risk reports (see reports) have been conducted to determine various issues, including the level of effective regulation of human rights issues and their compliance with international standards (e.g. the effectiveness with which regulators monitor and enforce applicable regulation, the compliance of legislation with international standards, etc.) and other cultural, social and contextual determinants.

However, this work has not allowed for a field study to deepen the country-risk variant and this has limited the capacity to identify vulnerable groups in the countries of operation and in the specific territories where the selected projects are located.

Finally, with regard to Grenergy's activities for which the assessment is made, all projects are in the construction and operation phase.

Stages of the project cycle relevant to the exercise of human rights due diligence

In relation to *rights holders*, the following, among others, are considered following categories:

- Grenergy workers
- workers of suppliers or contractors
- subcontracted workers of suppliers
- indigenous communities and peoples
- global society
- other

3. PURPOSE, METHODOLOGY AND PHASES OF THE PROJECT

Object

This report aims to assess the due diligence mechanisms at the Project level in relation to those impact areas that have a "higher likelihood" of affecting human rights, and to identify possible gaps in the management of the prioritised impacts.

Methodology

The methodology used to establish the work plan, based on the UNRP and working in collaboration with Grenergy, was as follows:

- identification of potential impacts by BHR (UNGP 18), which consists of cataloguing relevant human rights standards and issues, understanding the context, the sector, the country, identifying those potentially affected, and projecting the human rights implications of business activity and business relationships; and

- the assessment of the systems in place in the Projects for the identification and management of impacts, as well as for the monitoring of the measures taken, and other aspects of due diligence at the Project level.

This evaluation exercise has been carried out for the most part on the basis of information grouped by country, without carrying out an exhaustive or individual evaluation of each Project, but rather of the due diligence systems in place for these Projects in each country in a generic manner. However, some specific information on some Projects has been accessed and used for their evaluation and is reflected throughout the report.

Selected interviews have been conducted telematically with key Grenergy personnel. However, due to the limitations of the scope of the exercise, in particular the lack of field travel and the lack of individual study of each Project, interviews have not been conducted with primary sources such as supplier workers, trade unions, workers' rights organisations in Colombia and Chile, communities and their representatives and members, or other companies in Grenergy's value chain, logistics and transport companies, etc.

Phases

The project has been developed in the following phases:

- identification of the most relevant human rights impacts by BHR and preparation of country risk reports for Spain, Chile and Colombia;
- review of relevant documentation;
- training for Grenergy teams and project suppliers in Spain, Chile and Colombia;
- interviews with selected individuals from Grenergy, where BHR builds knowledge about Grenergy and the context;

- sending and review of questionnaires to suppliers of the Projects in Spain, Chile and Colombia;
- final report, with recommendations for a short, medium and long-term human rights action plan to improve the Projects' due diligence system.

This report includes assessments and recommendations resulting from the documentation reviewed, interviews and analysis of the questionnaires sent to suppliers. The recommendations are not exhaustive and should be understood within the framework of a comprehensive, proactive and reactive due diligence exercise.

In each section, Grenergy's performance and the adequacy of the information accessed (through documentation or interviews) is assessed according to a colour code in which red equals below-target performance, followed by orange, yellow, and green being adequate performance. In any case, even in the sections where the performance is "green", it cannot be forgotten that due diligence is an ongoing exercise, dynamic and should be subject to constant review and continuous improvement.

4. ASSESSMENT OF THE DUE DILIGENCE SYSTEM AT PROJECT LEVEL

4.1 Complaints Mechanisms (UNRP 29)

Performance of due diligence system	
Level of information accessed	

Defining the potential impact

To promptly address and remedy the harm caused, companies should establish or participate in operational-level grievance mechanisms available to affected individuals and communities. This is a major focus of due diligence, mitigation and remediation processes.

Evaluation

Although the major effort in implementing operational grievance mechanisms takes place during the construction phase (with on-site mailboxes, posters, distribution of complaint forms, and other measures), this phase is short-lived, so access to these mechanisms during the longer O&M phase is of great relevance.

Both the Chilean and Colombian projects maintain different mechanisms for communication and complaints in the O&M phase, with different results according to interviews:

- In Chile, the suggestion box is not widely used by the users for whom it is intended, so it could be concluded that it is not fulfilling its function and does not seem to be sufficiently accessible and effective.
  It is also possible to send complaints or suggestions by fax, e-mail or post. However, there is a technological gap in the sense of inadequate network connection in many of the Projects, which hinders the use of these telematic mechanisms. No complaints have ever been received by post either. Again, it could be concluded that it would not be fulfilling its function and would not appear to be sufficiently accessible and effective; and
- In Colombia, there are various means of transmitting complaints, including email, post, the social manager's telephone number and a community contact person who is present during working hours. There is a protocol (the PQR Protocol) for the classification of complaints or communications. While this does not contain specific safeguards to ensure that human rights complaints are handled as such, given that the person who receives and classifies complaints is the local social worker, there is some guarantee that they will be handled appropriately. In addition, the local social manager analyses the complaints and communications in order to draw lessons that can be extrapolated to other projects in Colombia.

It should be noted that Grenergy staff in the projects in Chile and Colombia receive training from the global/local social manager, depending on the case, in the handling of complaints mechanisms.

These are recent mechanisms (Grenergy has been present in Colombia since 2021), and the local teams in the Projects are reflecting on how to make these operational mechanisms more effective, with guaranteed accessibility and confidentiality.

In addition to these operational mechanisms, there is a whistleblower channel in the *Compliance* section of the website, aimed at employees, consultants, suppliers and other stakeholders, including in cases of violation of the Human Rights Policy. According to the report, Grenergy preserves the confidentiality of the whistleblower and guarantees the absence of reprisals for reports made in good faith.
In Spain, the complaints system is duly formalised in terms of the registration and follow-up of complaints (*Complaints Reception and Management Procedure*). This describes the methodology to be followed for the reception and treatment of possible complaints received from workers and interested parties in relation to environmental and social aspects generated throughout the process. This methodology describes the communication channels to be implemented, detailing the different phases of the works and their final dismantling, as well as during the project operation period. It also details the communication channels for receiving complaints and the procedure to be followed so that any interested party or the social community is aware of the ways to communicate with the project in an agile and effective manner. It also explains the way in which the handling and management of the communication of complaints should be carried out, specifically with regard to the process to be followed, the handling of complaints with the indication of the sender, the way to deal with the follow-up of the complaints management process and the aspects related to data protection.

However, there are almost no complaints related to human rights (only issues related to job offers are channelled), so it would be necessary to verify that the system is accessible, reliable and known by potential users and that human rights complaints are identified as such and that they are treated in accordance with the type and seriousness of the violation.

Recommendations

- Conduct in the medium term a review of the complaint channels in the Projects to understand whether they are known to potential users, whether they are working in practice in order to ensure in the short/medium term that they are accessible, transparent, effective and meet the effectiveness criteria of UNRP 31 and in particular:
    - be available to any victim and to third parties;
    - that the definition of 'incidences' expressly includes impacts on human rights;
    - express mention of Grenergy's responsibility to restore respect for human rights and provide remedy; and
    - to involve stakeholders and potential users of the mechanism in the review and design of modifications, ensuring representation of indigenous and non-indigenous communities, men and women, children, permanent and migrant workers, etc.

- develop a formal procedure for the classification, investigation, follow-up and control of complaints and claims received through the different channels,

ensuring that those related to human rights issues receive appropriate resolution in accordance with the due diligence system and international standards. Lessons learned from complaint analyses in Colombia may be useful;

- pay attention and try to reinforce, as long as there are no trade unions to represent workers (e.g. Colombia), whistleblower protection and confidentiality, to avoid reprisals in more conflictual contexts, and the whistleblowing culture;

- ensure that these mechanisms are available in all appropriate languages, including the native languages of the indigenous communities in the Tucanes (Colombia) and Pangui and Quillagua (Chile) Projects; and

- map and investigate the landscape of grievance channels in the Project areas, in order to understand cultural approaches to "remediation", provide appropriate remedies, and avoid undermining existing state processes[1] .

4.2 Working conditions (own staff)

Performance of due diligence system	
Level of information accessed	

i. Defining the potential impact

As an employer, Grenergy faces human rights and labour rights risks, in particular in relation to its own workers employed in the Projects, in close connection with human resources issues. Potential impacts can occur in selection processes, in the implementation of working conditions (e.g. wages or promotions), etc. Of particular importance are the fundamental rights at work designated by the ILO, i.e. freedom of association and effective recognition of the right to collective bargaining, the elimination of all forms of forced labour and exploitation of child labour, and non-discrimination in respect of employment and occupation. Alongside the potential impacts on these rights, there is a risk of impact from poor working conditions, low wages, poor health and safety protection, excessive or compulsory overtime, non-compliance with rest standards, etc.

Grenergy must avoid impacts on the labour rights of its own workers in the Projects. The existence of Projects in different countries poses a challenge for the implementation of due diligence, particularly in identifying areas of potential impact, as in each country, labour legislation, context, the level of enforcement or inspection, the degree of corruption, and other political factors,

1 Communities, including indigenous communities, may have their own ways of resolving grievances. An understanding of these, and what is effective, may be particularly important in understanding how "remedy" is understood in the local culture.

cultural, demographic, social, etc., can determine the level of probability of the impact, its severity, extent, etc.[2] .

In particular, there are health and safety risks that may affect site managers and, where appropriate, other workers, in the manufacture, installation and maintenance of the wind farms, including hazards such as exposure to a variety of serious hazards, e.g. electric arcs, toxic substances, electric shocks, falls, thermal burns, etc. for Grenergy's own workers who may carry out these activities.

ii. Evaluation

The Human Rights Policy fully reflects the core conventions of the International Labour Organisation (ILO) Nos. 29, 87, 98, 100, 105, 111, 138 and 182, as well as the ILO Declaration on Fundamental Principles and Rights at Work.

Although the number of workers in the construction phase is low, the number of workers in O&M is higher (employed in panel cleaning, ventilation, structural control, etc.).

It should be noted that neither in Colombia nor in Chile is there worker representation in local offices.

iii. Recommendations

- Transform the role of human resources from a focus on risk management for Grenergy to risk management for workers' rights. A potential barrier to securing labour rights in the workplace is the belief that these are matters for the HR domain. This strategy should be developed, in collaboration with the sustainability area, through measures such as trainings, alignment of the Human Rights Policy with the Human Resources Policy, etc..;

- Promote worker representation in Chile and Colombia and in any case ensure the absence of obstacles to it and the full protection of persons standing for election to trade unions; and

- Monitor that all labour rights are guaranteed to own workers in the Projects, especially in Colombia and Chile, where regulatory frameworks and their level of implementation may be less effective in the Project areas.

2 A brief generic assessment is made of labour issues in relation to Grenergy's own personnel in projects, without analysing each one of them due to the limited mandate of this evaluation exercise, prioritising the assessment of the management systems of some of the impacts on labour rights in the supply chain of the projects.

4.3 Supply chain

4.3.1 Working conditions in general

Performance of the Due Diligence System	
Level of information accessed	

i. Defining the potential impact

Grenergy builds and operates photovoltaic solar farms, for which it uses both its own personnel and those of suppliers in the projects. During the construction phase, the number of supplier workers is higher, and notably for engineering, manufacturing, construction, maintenance, etc., being more exposed to certain risks in relation to these activities.

Grenergy must take measures to promote decent work and use its influence on suppliers, especially in countries with less capacity to implement national labour laws and where this is not in line with international standards (e.g. Colombia, Chile in some respects). Particularly where monitoring is lacking, there is a risk of poor working conditions that can appear in various forms, including low wages, inadequate health and safety measures, lack of adequate job training and risk of injury, excessive or compulsory working hours, restrictions on trade union rights, discrimination, lack of grievance mechanisms, or disciplinary measures such as deductions from wages. If workers are low-skilled, or e.g. migrant workers, they may be more vulnerable to exploitation and even modern slavery.

Subcontracting can specifically lead to limiting various rights, especially collective rights, impacting on worker protection and increasing the risks of exploitation and poor conditions for the most vulnerable workers, who often lack bargaining power. Subcontracted labour is more vulnerable to risks, with contractor due diligence being an essential component of risk management.

There may be health and safety issues related to the installation, construction, maintenance, operation and disposal of solar panels[3] . Other potential impacts on labour rights in supply chains become relevant, such as the risk of forced labour or the issue of diversity, notably in projects in countries such as Colombia or Chile where there is great diversity, with racial paradigms and where cultural diversity, the coexistence of languages, cosmovisions and ethnicities is a basic component.

ii. Evaluation

Suppliers are contracted directly by Grenergy, through the vehicle company (100% owned by Grenergy) that owns the project in question. The most important suppliers would be:

3 BHRRC (2019): *Renewable Energy Investments: A Practical Guide For Investors*. SolarCity was sued, including for allegations of failing to provide workers with access to toilets during working hours, failing to compensate installers for travel, dismissals when they refused to carry out electrical work in unsafe conditions or for asking too many questions.

- Construction projects: civil works, electrical assembly, electromechanical assembly, electrical connection and security services.
- O&M projects: panel cleaning, medium and high voltage maintenance, security services (other smaller services: e.g. rodent control, fire extinguisher recharging, etc.).

The volume of suppliers and the number of supplier workers in the O&M phase is much lower than in the construction phase, where there is a higher number of supplier workers.

According to interviews, the aim is to use the same suppliers, especially in Colombia, where the sector is less developed and there are fewer suppliers. Also, the relationships would be long-term, at least in Chile where the company has been operating longer. In this context, suppliers are progressing as Grenergy is gradually making progress on social issues and demanding higher requirements in this regard, which is an indicator of progress.

According to the Report and interviews, supplier management includes a pre-contracting process in which suppliers must accept the supplier code of ethics.

During the construction phase in Colombia, Grenergy's local team monitors the working conditions applied to the suppliers' workers (the *Seguristas* team). This team has the capacity to stop a site during construction if non-compliance with local legislation on labour, health and safety, wages, overtime and overtime pay, etc. is detected. An external health and safety consultant has also been engaged to improve practices and safeguards at supplier level. In general, during the construction phase, there is a dialogue and verification of suppliers' labour practices.

In O&M, in relation to some specific suppliers, certifications of compliance with certain labour aspects are requested on an informal basis, e.g. regarding payment of salaries, social security contributions, etc.

Despite these good practices, there are some shortcomings:

- human rights performance is not a criterion for supplier selection,

- monitoring of suppliers is not homogeneous (e.g., according to some interviews, there is no data on accidents, the demographics and other conditions of the workforce are not known, etc., while in the Colombia projects, in particular, monitoring is carried out);

- acceptance of the Supplier Code of Conduct is not uniformly applied. E.g. it is not required for smaller contractors, who do not enter into contracts but purchase orders but represent the majority of suppliers.

in O&M, including the high-voltage service provider, the largest contract by volume;

- The requirement of such certifications in O&M is not uniformly implemented and in particular is not required in relation to suppliers with larger contracts;
- Grenergy has no relationship with sub-suppliers (more distant *tiers*);
- the list of human rights contained in the Supplier Code of Conduct is incomplete and should refer to all internationally recognised human rights, in particular those that are most likely to impact on Grenergy's projects (e.g. communities, indigenous peoples, risk of forced labour, etc.);
- In practice, there may be a gap between the acceptance of the Supplier Code and its implementation. For example, the Supplier Code contains a specific reference to freedom of association and collective bargaining;
- audits are not carried out, which together with the absence of contact or relationships with more distant suppliers implies considerable limits to visibility. This multiplies the risks of conditions not conforming to international standards, particularly in relation to chains in areas with governance gaps; and
- the fact that no human rights issues have been detected during visits by quality technicians, nor by the team in contact with contractors, may be indicative of a lack of depth in the system. Training of procurement/quality staff is key to developing robust due diligence systems and risk alerts.

iii. Recommendations

Grenergy must make every effort to increase its visibility and capitalise on its influence in supplier relations. To this end, it is advisable to consider deepening a series of axes, for which the following measures can be considered:

- formulate the Supplier Code of Conduct in less general terms and include actions to provide clarity and help suppliers/contractors understand each criterion and enable better monitoring. E.g. requirement to have processes in place, that implementation of the criteria is monitored, that suppliers have a clear commitment to zero tolerance of modern slavery, that they have and communicate their non-discrimination policy;
- conducting Supplier Satisfaction surveys including an assessment of whether Grenergy's practices do indeed uphold these commitments, in particular labour practices consistent with international standards and treatment with dignity and without discrimination.

discrimination against workers. E.g. if prices or delivery times allow them to respect human rights;

- standardise and formalise acceptance of the new Supplier Code of Conduct and compliance certifications for all suppliers, whether under contract or purchase orders, and follow up on this;
- unannounced visits to facilities/factories, to have other access to workers, processes, etc..;
- take advantage of quality visits or health and safety audits to conduct social visits/audits of suppliers as a due diligence mechanism to increase the level of information;
- pilot projects with selected contractors on higher risk projects, e.g. security providers in Quillagua or Tucanes etc..;
- reduce the links in supply chains where intermediaries are used for the purchase of goods and equipment in order to have greater visibility;
- use *leverage* (the effectiveness of which was recognised in the interviews, especially in projects where the same suppliers are used, e.g. Colombia) to promote and support good practices;
- train Grenergy staff in Colombia and Chile (e.g. EPC) and contract managers in the supply chain to increase control over suppliers;
- consider other measures to support a proactive and innovative approach, e.g. systematising relationships with members of civil society, NGOs, trade unions, etc. to understand potential risks and design appropriate solutions; and
- deepening transparency, complementary to visibility, and increasing public information[4] , which will help to demonstrate efforts and avoid gaps between policy and practice, e.g. one could consider reporting or increasing transparency on lists of contractors and suppliers; aggregated results of audits or success stories of contract management; or concrete cases that exemplify how risks are managed.

4.3.2 Forced labour and other modern forms of slavery

Performance of due diligence system	
Level of information accessed	

i. Defining the potential impact

4 Other companies with complex chains have made great strides in traceability and transparency, such as Nike, L'Oréal.

In addition to the mention of this risk in the general "working conditions" section, this section focuses on the risk of forced labour, a key issue due to its seriousness and the high risk of the sector, especially in complex chains with limited visibility. The risk is higher when workers are part of a vulnerable group, such as migrants, or from discriminated classes in a society (e.g. indigenous peoples in Chile, Afro-descendants in Colombia).

ii. Evaluation

The Supplier Code of Conduct specifically includes the prohibition of forced labour in relation to contractors and suppliers.

According to interviews, no case of forced labour has ever been detected. Some of Grenergy's supply chains could be long and complex[5] , and this is a hidden risk and difficult to detect by nature, so ruling out through audits (which are also few) that there is no forced labour or other forms of slavery, is in any case very difficult[6] .

iii. Recommendations

In addition to the measures recommended for the specific case of panels originating in China or the Sinkiang Autonomous Region[7] , and given the current situation regarding forced labour (regulatory pressure in the EU, from investors, etc.), it is recommended:

- conducting pilot projects with selected suppliers, to identify possible cases and understand the potential extent of risk (e.g. whether workers keep their personal documents, whether they are free to refuse overtime, whether migrants have paid commissions, whether suppliers have adequate recruitment policies and trained staff to ensure free labour and transparent recruitment systems, etc.); and

- require suppliers to participate in supplier code verification activities that may be established by Grenergy, and in this regard increase requests for information on measures taken to ensure that supply chains are free of modern slavery and trafficking.

4.3.3 Equality and non-discrimination

Performance of due diligence system	
Level of information accessed	

i. Definition of impact

Approximately 190 million women work in global supply chains and are more vulnerable to sexual harassment and violence, excessive working hours, difficult and unsafe conditions, and inadequate wages, and they have bargaining power and a lower share of the labour force than men.

5 In this exercise BHR has not been able to map the length of supply chains in the Projects.
6 Antislavery international (2021): *Effective monitoring systems*.
7 The situation in Sinkiang has been the subject of a specific report developed by BHR for Grenergy in 2021.

limited union representation. In addition, people who identify as other genders, including LGBTI workers, may also find it challenging to secure employment, as their rights and needs are not covered by national legal frameworks or labour policies[8] .

ii. Evaluation

Although there are equality policies and practices aimed at eliminating discrimination at company level, it seems that measures can be strengthened in relation to the supply chain and equality and diversity issues, where there is no programme with specific targets for Projects. It is worth highlighting as a good practice in relation to the projects in Colombia and Spain, the adoption of measures to promote the recruitment of local women in the various stages of the projects.

With respect to gender, it is key to explicitly integrate it into all stages of due diligence in all Projects, in order to manage women's exposure to discrimination, informality, lower wages and benefits or reduced access to maternal health protection[9] ; and to take measures to recognise and manage impacts that may be different for women and/or cases of cumulative discrimination, in Colombia and Chile in particular.

In terms of diversity, the Supplier Code of Conduct includes non-discrimination clauses on the basis of skin colour, race, nationality, ethnicity, political affiliation, social background, disability, sexual orientation, marital status, religious beliefs, gender or age.

In contrast to gender, Grenergy has not made specific commitments to diversity[10] in the Projects, which, although not mandatory, is a good practice. It does not demonstrate a commitment to diversity and inclusion by promoting the hiring of people with different expressions of diversity in the supply chain, nor of members of indigenous peoples or Afro-descendants, key populations in Colombia and Chile.

There is no monitoring of suppliers in this regard. To make progress towards equality, companies will not only have to live up to their responsibility, but become active agents of change and actively combat discrimination or accept that they may in fact be facilitating it[11] .

iii. Recommendations

Equality is a complex issue that requires a comprehensive, long-term approach. Therefore, Grenergy must use its *leverage* on suppliers, and e.g.:

- extend initiatives for the recruitment of women to all Projects;
- set concrete targets and responsibility for equality and diversity issues;

8 ETI (2021) *Gender equity in global supply chains*.
9 OECD Watch (2021): *Measuring up: How CSOs can evaluate a company's gender due diligence*.
10 Some companies include commitments to invest in or select "diverse" suppliers, i.e. under different criteria, e.g. at least 51% owned, managed and controlled by people from under-represented communities, including women. This includes women, racial and ethnic groups, people with disabilities and LGBTQI+ communities.
11 UN High Commissioner for Human Rights (2020).

- clearly express commitment to diversity and inclusion and allocate resources;
- request information from suppliers from the outset and establish equality indicators;
- assess the specific needs and vulnerabilities of workers and map and define risks based on the location of the Projects, identifying how chain operations may impact on diverse workers, women, indigenous peoples, Afro-descendant communities, etc.;
- collaborating with trade unions and NGOs; and
- monitor, evaluate and communicate the results of their efforts to identify, prevent and mitigate impacts on women and LGBTI people, members of indigenous and Afro-descendant communities, etc.

4.3.4 Supply chain: mineral procurement

Performance of due diligence system	
Level of information accessed	

i. Defining the potential impact

The World Bank estimates a 300% increase in demand for key minerals used in photovoltaic panels in a 2 degree climate scenario, including aluminium, copper, indium, iron, lead, molybdenum, nickel, silver and zinc. Minerals needed for solar energy technology include[12] aluminium, cadmium, copper, gallium, indium, iron, lead, nickel, silicon, silver, tellurium, tin and zinc. Solar photovoltaic technology increases the need for energy storage units, leading to the demand for minerals in lithium-ion batteries, such as aluminium, cobalt, iron, lead, lithium, manganese, nickel and graphite.

Solar energy companies risk contributing to human rights abuses through their mineral supply chains. The extraction of copper, nickel and zinc used in solar panels is in some cases associated with human rights impacts, which vary across geographies and contexts, e.g. there have been reports of decreased access to water for communities, increased cases of toxicity and mining-related diseases and environmental contamination[13] , or, in relation to energy storage technologies often built alongside solar projects, risk of child labour, indigenous rights abuses and corruption through their cobalt and lithium supply chains.

12 BHHRC: *Human Rights in the Mineral Supply Chains of Solar Panels*.
13 *A Practical Guide For Investors. Ut Supra.*

In addition, in relation to the extraction of minerals needed for renewable energy projects, environmental or community concerns sometimes escalate into larger-scale protests, leading to conflict and insecurity[14] .

Finally, some of the so-called "conflict minerals"[15] are used in solar panels (tin, lithium and cobalt, used in lithium-ion batteries for solar energy technologies). Minerals classified as conflict minerals are linked to armed conflicts and human rights abuses in the regions of the world where they are extracted.

So far, EU regulations have focused on the minerals most frequently associated with armed conflict (tin, tungsten, tantalum and gold), as have the OECD's international due diligence standards[16] , which also apply only to conflict minerals. However, there are other minerals that need to be considered. The term conflict minerals could be extended to other metals such as cobalt, lithium and rare earths.

ii. Evaluation

At the Project level, Grenergy does not have mechanisms and measures in place in relation to the traceability of the minerals that make up its equipment or the suppliers of such equipment. Nor does it have relationships with NGOs or other actors that could help provide early warnings, allow for a deeper understanding of risks and design solutions, especially in the more remote stages of the mineral supply chain.

With no knowledge of where minerals are extracted and no measures taken, Grenergy's level of information and transparency, engagement with and visibility on distant *tiers* is very limited, so there is a risk of human rights violations, including poor working conditions (forced and child labour, health and safety issues[17]) or conflict financing.

iii. Recommendations

Despite the practical difficulties faced by all companies in the sector in carrying out due diligence on the most complex, non-transparent and difficult to map and manage chains, steps need to be taken to identify and assess risks, especially at the most distant suppliers and mines. While this is a relevant issue at both corporate and Project level, at Project level some measures can be implemented, including:

- design strategies to identify and assess impacts in mineral supply chains in line with the OECD Guidance on Responsible Sourcing of Minerals;

14 Transition Minerals Tracker (2021): Special analysis South America.
15 The term "conflict minerals" originated because their extraction is a key source of income for the w a r r i n g parties, especially in the Democratic Republic of Congo. These are mainly tantalum, tin, tungsten and gold, also referred to as group 3 TG. According to the US "Dodd-Frank Act 1502", the definition includes 3 TG elements mined in DRC and neighbouring countries. The EU regulation on conflict minerals, which entered into force on 1 January 2021, has a broader geographic scope that includes any politically unstable area affected by conflict.
16 OECD (2016): OECD Due Diligence Guidance for the Responsible Management of Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
17 Sophie T. Huber, Karl W. Steininger (2022): *Critical sustainability issues in the production of wind and solar electricity generation as well as storage facilities and possible solutions*.

- create a working group at Project level (with sustainability, procurement, EPC, *compliance*, etc.) on human rights in mineral supply;

- dialogue with equipment suppliers and adopt a partnership and collaborative approach; and

- maintain bilateral dialogue and collaboration with regional stakeholders and organisations (including governments) in sourcing countries, to improve understanding of the local context or vulnerable workers, and the identification and assessment of supply chain risks. NGOs can help with both identification and remediation.

4.4. Communities

Performance of due diligence system	
Level of information accessed	

i. Definition of potential impact

Local communities in the vicinity of the Projects may enjoy benefits associated with their construction and maintenance (e.g. economic opportunities created in the construction and O&M stages, land rental income, etc.). At the same time, they are susceptible to impacts on their human rights. The most relevant may materialise in relation to property rights (including with respect to land tenure (e.g. how land is acquired and compensated to the community), land use and/or expropriation, displacement or resettlement; access to natural resources (restriction of access to resources e.g. agricultural, livestock, etc. and impact on food and economic security), or other economic, social or cultural impacts (e.g. places of worship).

Although in the case of solar energy, population resettlement or changes in livelihoods are usually smaller than in other energy projects (beyond the reduction of cultivated area due to land occupation or temporary cessation of activities during construction phases), involuntary resettlement or other processes that undermine livelihoods, impact on the rights to life, liberty and security of the person, or other economic, social or cultural rights such as adequate standard of living, the right to health, housing, food and water, can occur.

Allegations of land rights abuses are among the most frequently reported in the renewable energy sector, given its large territorial footprint.

Projects can also have impacts by increasing differences and conflicts within communities and creating or reinforcing gender or generational inequalities. Women are often less involved in pre-design consultations and have more limited access to employment than men[18] . Impacts on land and land use

18 IDB (2014): Gender and renewable energy. Wind, solar, geothermal and hydroelectric energy.

water, resources on which communities in many countries rely heavily for their livelihoods, can particularly affect women.

In any case, impacts on communities, their rights and livelihoods depend on the location, size and design of the project and vary from minimal to more significant.

ii. Evaluation

The Human Rights Policy contains a commitment to upholding the human rights of local communities potentially affected by the activity, with special attention to the most vulnerable. There is also a social management plan.

No relocations have been made in the areas of influence of the Projects.

In practice, the implementation of this commitment in the Projects in Chile and Colombia is developed as follows:

Responsibilities and installed capacities

1. There is a global social manager (since 2019), who is not involved in all projects, but only in those with the highest risk (Quillagua, Teno and Tamango, Pangui and Belinchón). It can be said that his recruitment had a reactive approach, although over the last 2 years the approach has been shifting towards a proactive one. The global manager:

   - coordinates the mainstreaming of community relations principles in order to maintain minimum standards, and particularly International Finance Corporation standards. Its work includes the coordination of a social management plan that includes research on possible land-related conflicts to understand possible pre-existing individual, collective, communal or overlapping land uses, whether there was past opposition to such projects, dispossession, or undocumented land rights or unrecognised women's ownership;

   - implements a regular dialogue with the communities and distributes information, although there is no regular periodicity or schedule. The dialogue is materialised through the community leaders, who in each case are several and may have different profiles, for example, mayor, school principal, hospital director, etc. In all interventions, the social manager seeks a gender approach and that at least one of the interlocutors is a woman; and (b) through meetings open to the community, beyond the community leaders; and (c) through meetings open to the community, beyond the community leaders; and (d) through meetings open to the community, beyond the community leaders.

   - duly documents interaction with local communities.

Therefore, projects in which the social manager is involved have a greater guarantee of due diligence on the rights of communities.

However, it should be noted that:

- information and documentation are not available and accessible to local communities for consultation; and

- information is exclusively in Spanish, with no translation into other native languages that members of the communities or indigenous peoples may speak. However, according to interviews, there is a high level of confidence that the communities in the Projects are fluent in Spanish.
- the social manager has not been involved in the design phase of the Projects, the social chapter of the EIA having been developed by an independent consultancy; and

2. A newly incorporated local manager specifically in charge of relations with the communities in the area of influence of the projects in Chile and Colombia. In doing so, Grenergy is strengthening local teams and community relations capabilities. These people receive technical support, including training, from the global manager.

   From the development phase, the local manager implements actions to identify and understand potential adverse impacts on the rights of communities, including indigenous communities, through the following actions, among others:

   - Mapping of communities, including indigenous communities, in the early stages of the project cycle. In Colombia, the Ministry of the Interior requests the Certification of Presence or not of ethnic communities, required as a requirement for obtaining environmental licenses.

   In addition, some projects in Colombia develop social management plans that include a correlation of activities in relation to IFC standards on labour and working conditions, labour and working conditions, land acquisition and community resettlement, indigenous communities, and cultural heritage.

   In Tucanes, under construction, a community has requested that a prior consultation process be carried out, despite the fact that Grenergy had obtained from the Ministry of the Interior the Certification of non-presence of ethnic communities. According to interviews, this is an Afro-descendant community that is not legally constituted as such. In Colombia, prior consultation applies not only to indigenous peoples but also to black or Afro-Colombian, Raizal and Roma or gypsy communities. Prior consultation is a fundamental right of a collective nature and an obligatory procedure that must be carried out in accordance with the customs and traditions of each ethnic group or group, every time they may be affected. Prior consultation is a key instrument to realise the duty to protect the country's cultural diversity recognised in the 1991 Constitution, which is also imposed on individuals.

   Although the lands are not "titled" as belonging to the ethnic group and despite the Certificate of No Presence, they are permanently inhabited by the Afro-Colombian community, which has its own culture and traditions, shared history, etc. Grenergy must take appropriate measures to safeguard their rights. It must take into account the representation and authority of the community, the interculturality and its language, its traditional institutions, in order to determine the social and cultural impacts that the Tucanes Project may generate.

It must also implement, even in the construction phase, prior consultation, in good faith and in order to reach an agreement, bearing in mind how the Project may affect or undermine the elements that form the basis of its social, cultural, economic and political cohesion[19] .

- Development of a *pre-feasibility* study, which identifies possible groups, indigenous peoples, archaeological records, other projects near the area of influence of the project, agricultural lands, etc., in order to identify and understand any potential human rights impacts including potential impacts on economic, social and cultural rights, impacts on access to natural resources, to sites with cultural value, and especially impacts in relation to agricultural lands that may generate other impacts on people's standard of living, etc. The study includes research on possible conflicts between members of the communities, with other communities, as well as on possible conflicts in relation to land ownership, even in the case of legal ownership.

In Colombia, given the centrality of land in the internal conflict, once land is identified, a certification from the Land Restitution Unit is requested in order to rule out that the land in question could be affected by a restitution process or is land with claims of dispossession. To date, there have been no land restitution claims in this regard.

- In Chile, the local manager consults external sources regarding the situation of communities in the area of the facility, e.g. when circumstances dictate, a dialogue with other companies that have previously operated in the area, to gain a thorough understanding of the potential risks of human rights impacts and the best approach to developing relations with the communities.

In the construction and O&M phases, community relations and socialisation take place. The main focus of the due diligence approach is dialogue with communities, adapted to the circumstances in each case. According to interviews, the dialogues have a broad scope, dialoguing with community leaders, as well as with neighbourhood councils, always including male and female interlocutors.

⇒ It can be said that managers in Chile and Colombia have extensive knowledge of the field, its risks and circumstances, and have valid processes in place to identify and manage human rights issues in the projects.

In the projects in Spain, both under construction, there is no local manager. The global social manager is currently involved in the elaboration of the Environmental and Social Management System of the Belinchón project, ensuring, for this project, a better protection of the rights of the communities close to the project.

19 See UN - OHCHR: The Right of Afro-Colombian Communities to Free, Prior and Informed Consultation

Relations with communities are, in principle, less problematic (e.g. due to the absence of communities or indigenous peoples). Although socialisation plans with communities are not proactively carried out, there is a mechanism for receiving complaints and suggestions and allegations at the project level: an allegations phase is opened so that anyone can submit timely complaints or claims. In this sense, no allegations have ever been received in relation to possible risks or impacts on human rights. Most of the allegations that could be linked to human rights (impact on the right to a healthy environment, right to health, etc.) are related to the environmental impact derived from the impact on native birds.
According to interviews, impacts have also not been reported through these allegations in relation to the livelihoods of community members in the areas of influence of projects, agricultural land, etc.

Instruments
In all projects in Chile, a social impact assessment is implemented as an integrated chapter in the environmental impact assessment (EIA). No independent social studies or specific *Human Rights Impact Assessment* (HRIA) are carried out. In Colombia there is no obligation to carry out an EIA, due to the size of the projects (none reach 10 MW). However, Grenergy carries out a socio-environmental action plan in accordance with the requirements of the International Finance Corporation, which results in an environmental and social management plan.

iii. Recommendations
Grenergy develops photovoltaic farm start-up projects from the outset, including the identification of locations, negotiation of land, management of the environmental impact analysis, the licences and permits required for construction and operation, etc. This comprehensive management gives it a privileged position to reinforce the commitment with the communities during all phases of the Project. Specifically, it is recommended:

- extend the participation of the global social manager to all projects, since he/she is only involved in some of them;

- guarantee due process in prior consultations (timeliness, intercultural communication and bilingualism);

- pay special attention to communities or individuals who may be displaced due to internal conflicts in Chile and Colombia, people living in poverty or social exclusion, facing severe discrimination and others who may be more vulnerable or suffer from the consequences of the conflict;

- ensure community representation and authority, engagement with their traditional institutions and through their authorities or organisations representing them, and representation of women and minorities;

- clearly state in the Human Rights Policy the regular and meaningful engagement in dialogue with communities throughout the project cycle;

- strengthen the human rights expertise of the legal division (in charge of the early stages of land acquisition for wind farms) and the EPC teams, so that they take these issues into account at all stages of the project along with environmental, social, legal, financial, etc. aspects;

- although consultations usually include women in practice, it is important to formalise in social management plans a process and tools to specifically ensure a gender perspective, including a gender analysis to systematically examine the roles played by women and men, taking into account existing imbalances in their access to resources, land, etc., in order to understand the characteristics that define women and men specifically and to ensure their participation;

- document and establish, although legislation does not impose obligations on Grenergy in the Colombia and Chile Projects, a formal procedure to ensure that community voices are heard at all stages of the Project, from design, according to the following minimum requirements: effective community participation, beyond formal representatives, transparency as to its intent and progress, accessibility (format and terminology), non-discrimination in terms of race, gender, age, income, language, literacy or disability, cultural appropriateness, gender, etc., be in a language understood by the community, and respect for inter-community confidentiality when sharing information. This will allow for the transfer of learning to other projects.

4.5. Indigenous Peoples

Performance of due diligence system	
Level of information accessed	

i. Defining the potential impact

The growing demand for solar energy sometimes puts pressure on indigenous peoples in relation to their resources, heritage, or land ownership. New projects can also create situations of divergence or conflict within the community.

There are precedents of malpractices on environmental grounds, use of ancestral lands without guaranteeing indigenous peoples' rights, such as free, prior and informed consent or livelihoods. These situations have resulted in impacts on these rights, displacement[20] , or various conflicts depending on the context. The situation is particularly worrying in relation to projects located in conflict-affected areas[21] .

20 Danish Institute for Human Rights (2021): Case study: Equitable energy access and indigenous participation in Chile's energy policy.
21 *Renewable Energy Investments: A Practical Guide For Investors. Ut Supra.*

The participation of indigenous peoples, who traditionally have a close relationship with the environment, is a key issue.

In the context of the Projects in geographies such as Colombia and Chile, the issue of indigenous peoples requires a comprehensive look at international standards, especially ILO Convention 169 on Indigenous and Tribal Peoples, which, together with the UNGPs, guide the transition to renewable energies without leaving anyone behind and respecting the rights of indigenous peoples. These risks do not exist in the projects in Spain.

Within the projects in Chile, there is an Aymara indigenous community in Qillagua and a Lican Tatay community in Pangui.

ii. Evaluation

Social managers in Colombia and Chile have a high degree of knowledge of the reality on the ground, issues relating to communities, indigenous peoples, applicable legislation, historical background in the area of influence of the project, etc.

In Quillagua, consultation mechanisms have been implemented with the indigenous community prior to the project in order to inform them of the project and its possible effects. This has been done:

- taking into account the particularities of the community in order to integrate their concerns;
- working with both their formal and informal leadership;
- through regular consultation from the outset and throughout the Project cycle; and
- studying their situation in depth from the point of view of respecting their rights with the aim of designing the intervention strategy adjusted to the cultural context, and
- In particular, agreements have been reached with the community regarding the use of a route to access the park, as an alternative to the municipal road, as this would be occupied by the community.

- In addition, in the case of indigenous peoples in Chile, due to the internal complexities within these groups, and the existence of some groups that can be described as clandestine or semi-legal, making direct dialogue with them more difficult, more subtle ways are sought to obtain information and be able to dialogue with these groups as well.

Despite these good practices, it should be noted that:

- The Human Rights Policy does not explicitly recognise respect for the rights of indigenous peoples;
- there is no mechanism foreseen for the participation of indigenous peoples in the design and participatory follow-up and monitoring of agreed prevention or mitigation measures, except in exceptional cases at the request of the community.
- Although there is dialogue to obtain the views of indigenous peoples and a willingness to modify grievance mechanisms at the Project level if requested, these are not designed in conjunction with indigenous peoples.

iii. Recommendations

- in Colombia and Chile, carry out a diagnosis of potential problems and a consequent evaluation of Grenergy's measures in relation to indigenous peoples (or a specific social impact study for this group);

- expressly and separately recognise in the Human Rights Policy the rights of communities and the rights of indigenous peoples, establishing a specific public commitment to respect the rights of indigenous and tribal peoples in line with international standards[22] (mainly ILO Convention 169), whether or not they are included in the domestic laws of the country of operation. It is advisable to define what Grenergy means by indigenous peoples, and to do so in accordance with international standards;[23]

- establish a specific mention in the Supplier Code of Conduct of the obligation of contractors and suppliers or sub-suppliers to respect the rights of indigenous communities and to maintain a regular dialogue with them; and

- establish clear policies and processes to respect indigenous peoples' rights, including land rights and in particular free, prior and informed consent, as well as effective access to grievance mechanisms at the project level.

4.6. Right to energy

Performance of due diligence system	
Level of information accessed	

i. Definition of potential impact and context

22 Sometimes, as in Chile, national law is protective of indigenous rights (e.g. energy policy in Chile) even a b o v e international standards.

23 It is one of the criteria assessed by the BHRRC's Renewable Energy and Human Rights Index.

Energy is central to both the 2030 Agenda - SDGs and the goals of the Paris Agreement, and a prerequisite for the realisation of human rights for millions of people. However, the nexus between human rights, climate change and energy is underdeveloped in international law and practice. The energy transition must simultaneously combat social exclusion and address environmental degradation and climate change.

The right to energy is progressively gaining recognition at the international level as a human right, especially in the Just Transition framework. People have the right to equal access to energy irrespective of any consideration of race, gender, economic capacity, etc., thus contributing to the reduction of energy poverty. The right to energy is closely linked to the realisation of other rights (e.g. the right to health and food[24] , to education, to a dignified life, to work, and to the right to live without discrimination). In addition, renewable energies can foster micro-entrepreneurship, job creation, enhance local value chain development and strengthen identity elements related to respect and care for nature[25] . The goal of expanding energy access has become more urgent in the context of COVID-19, which has increased reliance on technologies for the realisation of other rights.

No declaration or resolution explicitly states that access to energy is a human right[26] , in part because of the extent of fossil fuels in total electricity production and because this would imply a state obligation to fulfil this right. Despite this gap between international human rights standards and the human need for energy, normative-ethical theory would provide a starting point for determining that access to energy as a right, regardless of political and legal status, and the consequent responsibility of energy companies to guarantee this right. This theory even makes more sense in relation to renewable energy, respectful of sustainable development[27] .

ii. Evaluation

Grenergy's corporate purpose includes the universalisation of access to clean energy, to create and share value with and for all stakeholders. It also includes the right to energy in its Human Rights Policy, with the aim of identifying and combating energy poverty in the communities in which it operates.

The Social Action Plan has as its strategic objective the development of the communities in which Grenergy operates, a strategic axis being the promotion of universal access to energy in order to integrate sustainable development into the business model. In addition, Grenergy has signed a collaboration agreement to supply and finance solar photovoltaic installations that

24 E.g. access to food refrigeration also leads to better hygiene standards, and gives the possibility to preserve food.
25 Case study: equitable energy access and indigenous participation in Chile's energy policy. Ut supra.
26 The only international agreement that explicitly mentions electricity is the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW).
27 In this debate, it has been proposed that the right to energy is a right to renewable energy. See for more information L. Lokquist in The International Journal of Human Rights (2020) *Is there a universal human right to electricity?*

allow the generation of electricity in educational, health and other community buildings of social interest that do not have a stable and clean electricity supply.

According to interviews, it is good practice for Grenergy to explore models for incorporating community benefits as a central component of the projects, with priorities and activities defined by the affected communities.

Although Grenergy's voluntary social action must be distinguished from its impact on society in the context of its operations and supply chains under the UNRP, it is worth noting how a key focus of social action is precisely to provide energy to the communities around the wind farms, linking its responsibility as an energy company with a long-term positive impact through social action, and contributing to the realisation of the right to energy.

iii. Recommendations

To effectively contribute to the promotion of the right to energy, it is recommended:

- integrate the culture of ensuring universal access to energy into the governance of activities, so that human rights are "not just on the table" in case of protests or complaints, but are part of the design, approval and implementation of projects, growth strategies, etc..;
- strengthening voluntary initiatives for the protection of vulnerable clients; and
- pay particular attention to supporting energy access in rural, vulnerable and indigenous contexts, where despite the use of local land and natural resources, communities often do not benefit from the energy transition.

4.7. Security of persons

Performance of due diligence system	
Level of information accessed	

i. Definition of potential impact and context

While the contracting of security services may be necessary to protect personnel and assets, the use of such forces, without adequate training or with weapons exceeding their mandate, can lead to serious violations, increased insecurity, and even aggravate the situation in case of opposition over land use, particularly in areas in Colombia and northern Chile affected by potential conflict. There is therefore a potential impact on the physical security of communities.

Human rights defenders, especially those pushing for just transition, are subject to continuous attacks, violence, intimidation, smear campaigns and harassment.

judicial[28] . Particularly at risk are those who denounce deforestation, loss of cultural heritage or identity, or large-scale development and agribusiness projects, including those aimed at producing clean energy[29] . Defenders who are women or indigenous people are also particularly vulnerable.

Defenders can play a key role in due diligence and monitoring to identify actual and potential adverse human rights impacts.

ii. Evaluation

Beyond the commitment in the Human Rights Policy to health and safety in the work environment, there are no processes in place to ensure the safety of individuals, communities, etc. and in particular human rights defenders.

Security is provided either by Grenergy teams or, in most cases, by suppliers, for whom no specific human rights measures are taken (see supply chain section). In particular, the guards, who are both men and women, have not received human rights training.

iii. Recommendations

- design a policy[30] that sets out principles for the protection of people and infrastructure to ensure that security and surveillance service providers and the specific procedures adopted in each country respect international human rights standards;

- include in the Human Rights Policy some form of statement of zero tolerance for retaliation of any kind against any whistleblower or for threats, intimidation, physical or legal attacks against human rights defenders in relation to Grenergy's operations and a commitment not to interfere with their rights, requiring the same from business partners;

- ensure that security workers, whether in-house or from suppliers, receive human rights training;

- In Colombia, given that the security service provider is the same for 4 projects, Grenergy should capitalise on its influence to promote respect for human rights, e.g. by requiring trainings, using the information gathered, etc.;

- consider adhering to the Voluntary Principles on Security and Human Rights; and

28 According to the BHRRC, in 2021, these attacks occurred in all regions. Almost 70% were against climate, land and environmental rights defenders. The five most dangerous sectors are related to natural resources. There were 247 attacks in Asia and the Pacific (40%) and 190 attacks in Latin America (30%); most attacks occurred in India (49), followed by Mexico (47) and the Philippines (44).

29 UN, UN High Commissioner for Human Rights (2022): *High Level Event on Environmental Human Rights Defenders.*

30 Or integrate the principles into the Integrated Management System, responsible for Health, Safety and Environment, where applicable.

- ensure the participation of human rights defenders in the processes, which will help reduce their risks and create long-term value.

Right to a clean, healthy and sustainable environment

Although this report does not assess due diligence measures relating to environmental impacts, the direct or indirect link between these and human rights impacts, including the right to a safe, clean, healthy and sustainable environment, or other rights such as the right to life, housing, water or sanitation, implies the need to pay attention to this issue.

There are also risks of environmental impacts with human rights consequences that may be related to Grenergy's supply chains, including on local wildlife (birds, other species), flora, biodiversity, etc.

In Chile, Grenergy is taking steps in this direction, including the preparation of Environmental Impact Assessments (EIA) prior to the commencement of work on projects, in accordance with applicable legislation. Once the EIAs are completed, the environmental team continues to monitor the implementation of environmental measures during the operation and construction phases. The environmental team also engages with communities in the design, development, implementation and monitoring of the measures contained in the EIA, adopting various measures depending on the characteristics of each project and the requests of the communities[31] .

- In Colombia, although EIAs are not required, as appropriate, forestry licences are requested (e.g. when there is a need to cut down a tree), licences for the occupation of watercourses if a water source is touched, as well as other possible environmental authorisations. EIAs (called Environmental Management Plans) are also carried out, which include impact analyses according to nature and category and environmental management plans, including in relation to waste, gas and noise emissions and their various impacts on the environment.

When designing strategies e.g. increasing access to solar energy, environmental management measures, impact mitigation plans, or when applying for licenses for construction, operation, and during the entire life cycle of projects, environmental impact assessments should be carried out and the correlation between environmental and human rights impacts should be taken into account.

4.8. Corruption and transparency

Performance of due diligence system	
Level of information accessed	

31 In this regard, and although it is not part of the evaluation in this report, it should be noted that in one project the company has implemented a participatory monitoring system for environmental plans at the request of the indigenous community. However, this has only been done in one project, and none of the projects evaluated in this exercise.

i. Defining the potential impact

Grenergy is exposed to corruption risks, in particular bribery, collusion and bid rigging, as a result of several factors, including the use of external agents to navigate local contexts. This is a salient issue, especially in those areas in Colombia and Chile where governance is weakest and corruption most pervasive. Acts of corruption are inherently human rights violations as they divert government resources away from people's needs.

ii. Evaluation

Although the Supplier Code of Conduct calls for zero tolerance of corruption in all business relationships, corruption is not explicitly prohibited in the Supplier Code of Conduct or in the human rights policy, and its relationship or connection to human rights impacts is ignored.

At the project level, this anti-corruption system focuses on compliance efforts. This management system makes it difficult to understand why, when and how corruption and human rights can converge, and how they can be effectively addressed, lacking a coordinated approach to managing both risks.

iii. Recommendations

Anti-corruption efforts must comply with human rights standards, which provide additional entry points[32] and:

- develop the standard of responsible conduct from the possible link between corruption and human rights[33] , with an approach that responds to both risks[34] ;

- explore management synergies through coordinated action by both areas to define reasonable, effective and risk-based human rights and anti-corruption due diligence. This is key in relation to supply chain due diligence, where Grenergy is less able to access information or exert influence[35] ;

- Given the risk of corruption in some projects, especially in Colombia and Chile, carry out systematic and periodic evaluations of the complaint mechanisms;
- to reduce duplication, gaps, loss of information while taking advantage of synergies, and to identify and optimise good practices, adopt a more collaborative approach between the human rights and *anti-corruption/compliance* agendas, integrating the perspective of rights holders to go beyond the *compliance* approach. This will serve to define new and more practical ways of identifying risks and preventive and remedial measures, beyond training and *compliance* efforts;

32 UN - OHCHR (2021) Corruption and human rights.
33 E.g. where a supplier has a perceived risk of corruption by the country of operation, additional due diligence measures may be necessary.
34 UN - Business and Human Rights Working Group (2020) report on connecting the business and human rights and anti-corruption agendas. See also, BIAC-OECD (2020) Connecting the anti-corruption and human rights agendas: a guide for business and employers' organisations.
35 The UN Business and Human Rights Working Group is working along these lines with the project: *Connecting the business and human rights and anti-corruption agendas*. See also Business at OECD (BIAC) and International Organization of Employers (IOE) (2020): *Connecting the anti-corruption and human rights agendas: a guide for business and employers' organisations.*

- increase cooperation with suppliers (currently the Supplier Code of Conduct only requires suppliers to act in accordance with national and international provisions for the prevention of corruption and bribery);

- assign responsibilities for the joint management of both risks;

- revise training programmes to provide information on the relationship between corruption and human rights issues and how to respond to them;

- Finally, some factors may increase the risk of corruption, and it is appropriate to review their presence in Grenergy projects, e.g:

    - have complex financial arrangements with multi-level government structures;
    - projects in places with political instability, organised crime, institutional corruption or weak rule of law (e.g. certain parts of Colombia);
    - dependence on government permits and approvals;
    - frequent interaction with government officials; and
    - use of external intermediaries to navigate local business contexts[36] .

5. SUPPLIER EVALUATION

BHR has carried out a survey of 15 of its suppliers[37] in the construction and maintenance phases in the 3 countries analysed according to a pre-established form (see annex 2).

The questionnaire assessed the degree of commitment of Grenergy's suppliers on three levels

- correct
- Insufficient
- very inadequate

in relation to the following issues:

A. COMMITMENT TO ADDRESS HUMAN RIGHTS RISKS
B. LOCAL COMMUNITIES
C. LABOUR RIGHTS
D. SECURITY AND HIGH-RISK CONTEXT
E. MINERAL EXTRACTION
F. RIGHT TO A CLEAN AND HEALTHY ENVIRONMENT

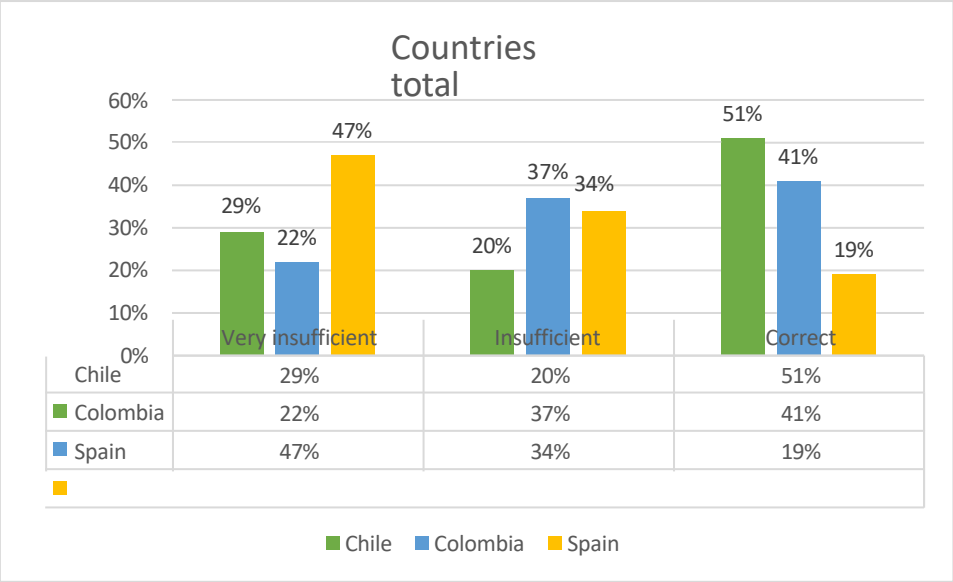
36 Columbia Center On Sustainable Investment (2022): *Respecting the human rights of communities a business guide for commercial wind and solar project deployment*

[37]15 suppliers in different Solar and wind plants in the 3 phases (development, construction and operation & maintenance)

The following conclusions can be drawn from the analysis of the results.

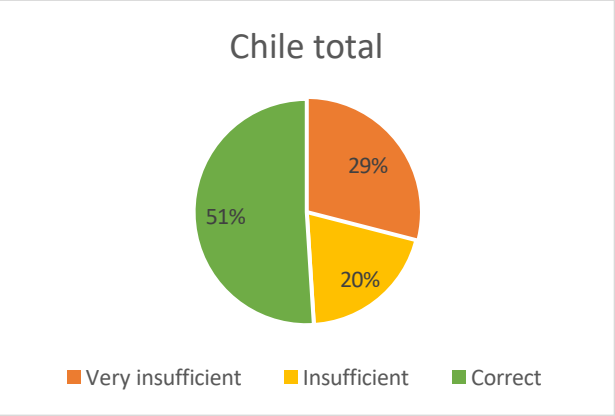
Results by country

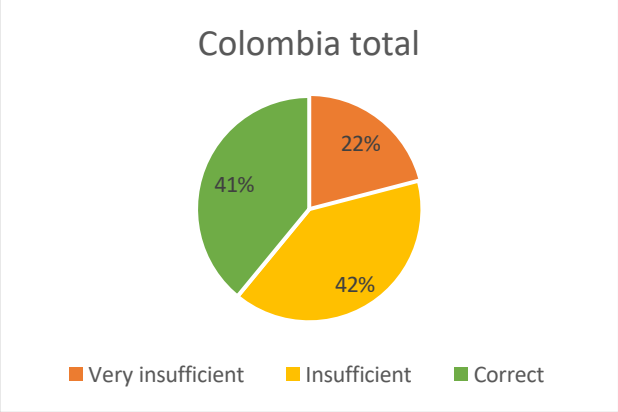
- Chile is the country with the highest number of correct answers (51%) followed by Colombia (41%). Spain is far behind with only 19% of responses at this level.



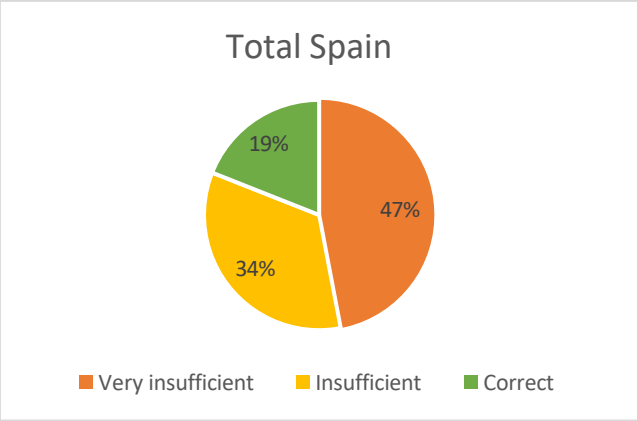
- Conversely, Spain is the country with the most responses in the very insufficient category (47%).

Chile and Colombia have the following structure of correct (green), sufficient (yellow) and very insufficient (orange) responses.



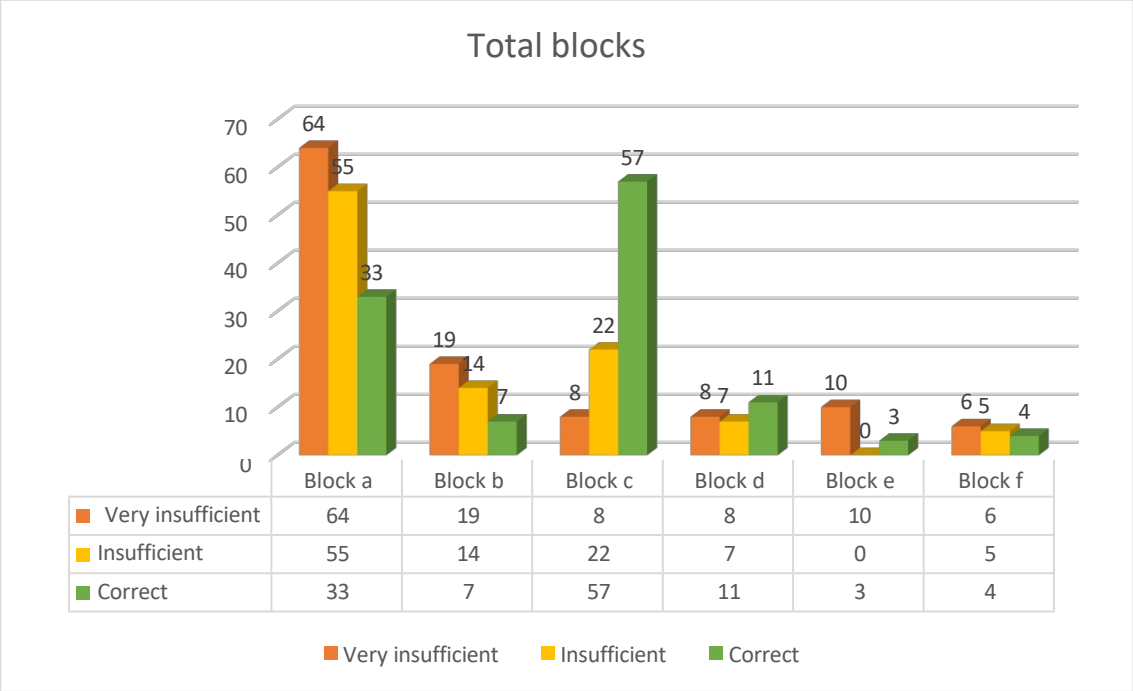


Spain is the country with the worst *score*, as shown below, with 47% of respondents giving a very insufficient score and 34% giving a sufficient score.



Analysis by thematic blocks

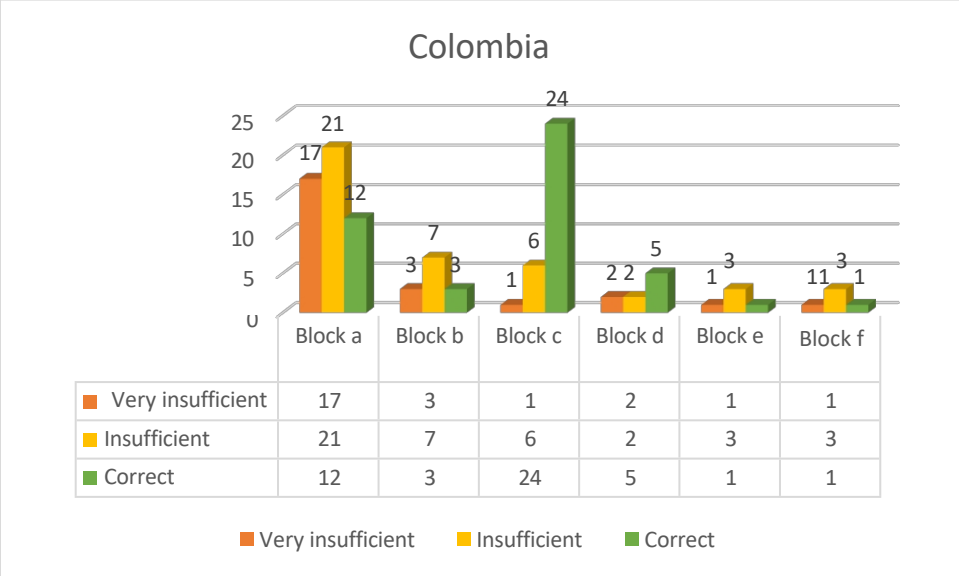
- For all countries, the thematic block that received the most correct answers was block C (Labour rights).
- The thematic block that received the most responses of very insufficient level (64) is block A (Commitment to address human rights risks), followed by block B (Local communities).



	Block a	Block b	Block c	Block d	Block e	Block f
Very insufficient	64	19	8	8	10	6
Insufficient	55	14	22	7	0	5
Correct	33	7	57	11	3	4

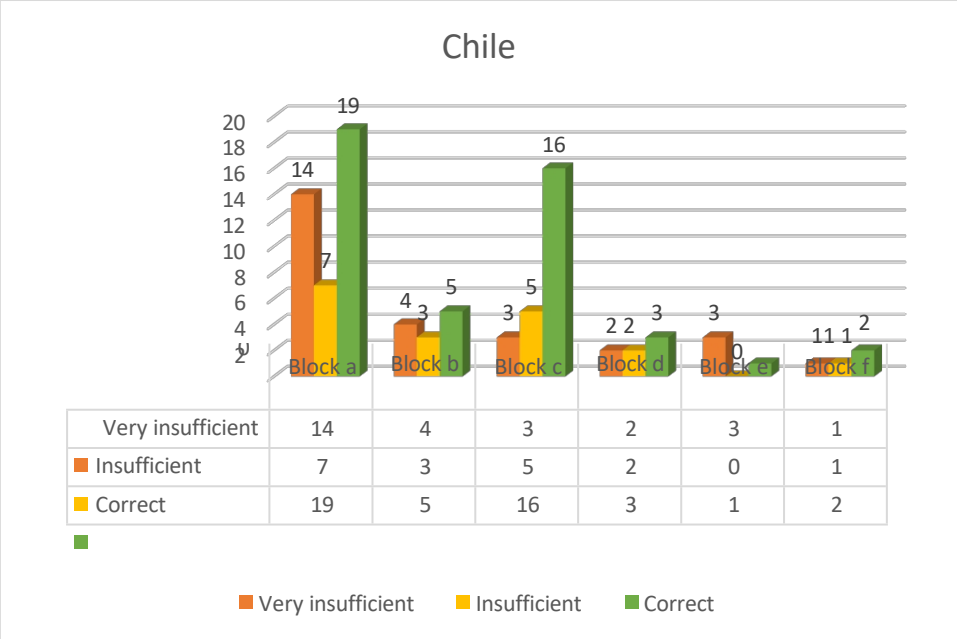
- An analysis of each country's performance by thematic block reveals the following conclusions:

  - Colombia has a high degree of respect for the issues contained in Block C (Labour Rights).



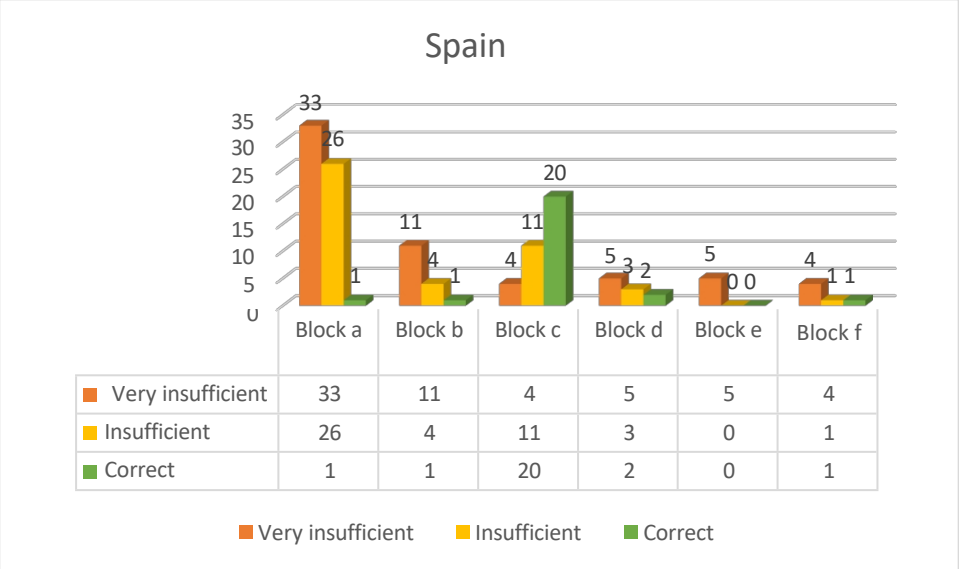
	Block a	Block b	Block c	Block d	Block e	Block f
Very insufficient	17	3	1	2	1	1
Insufficient	21	7	6	2	3	3
Correct	12	3	24	5	1	1

  - Chile also has a high level of respect for the issues contained in blocks A (Commitment to address human rights risks) and C (Labour rights).



	Block a	Block b	Block c	Block d	Block e	Block f
Very insufficient	14	4	3	2	3	1
Insufficient	7	3	5	2	0	1
Correct	19	5	16	3	1	2

- Spain has particularly low data in relation to block A (Commitment to address human rights risks) and B (Local communities), E (Mineral extraction) and F (Environment).

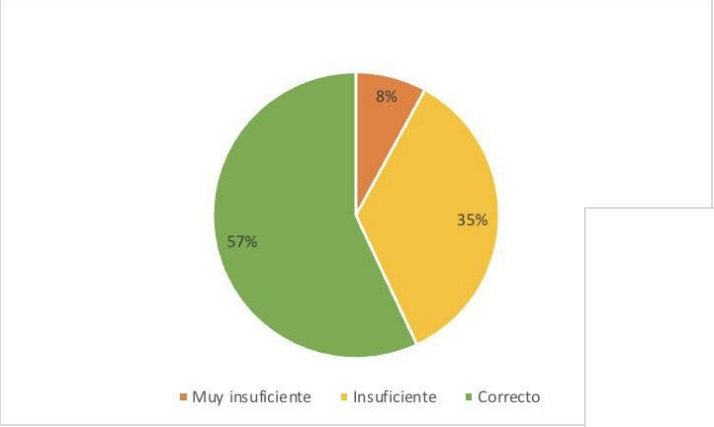


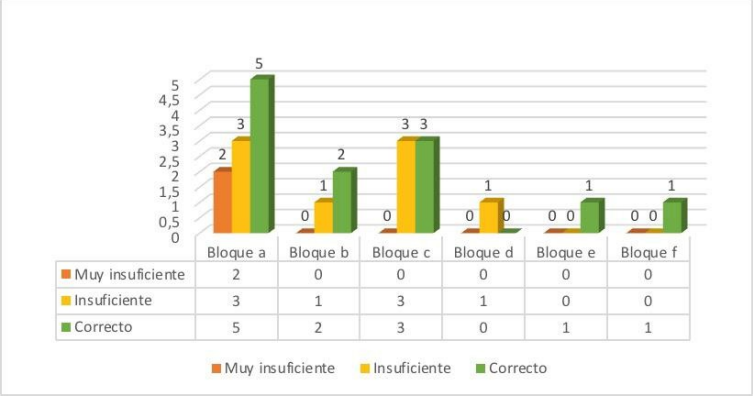
	Block a	Block b	Block c	Block d	Block e	Block f
Very insufficient	33	11	4	5	5	4
Insufficient	26	4	11	3	0	1
Correct	1	1	20	2	0	1

Analysis by company

The analysis by company is described below.

Supplier 1





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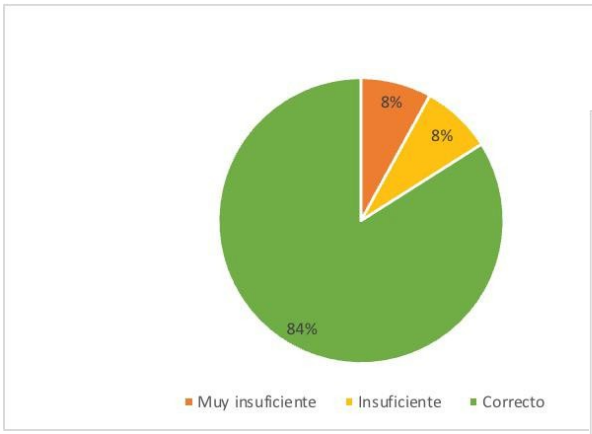

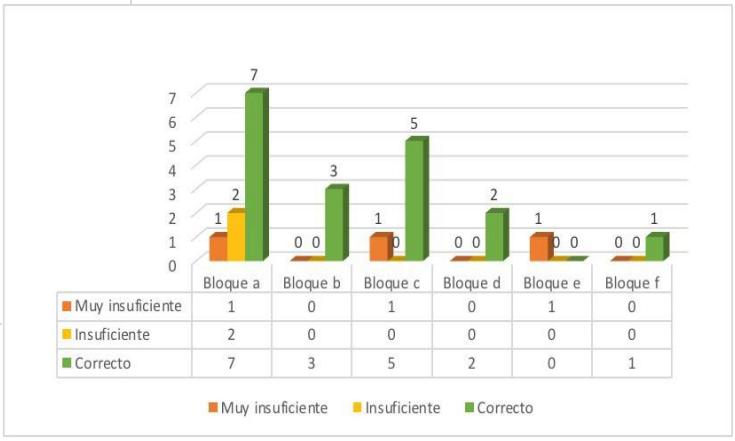

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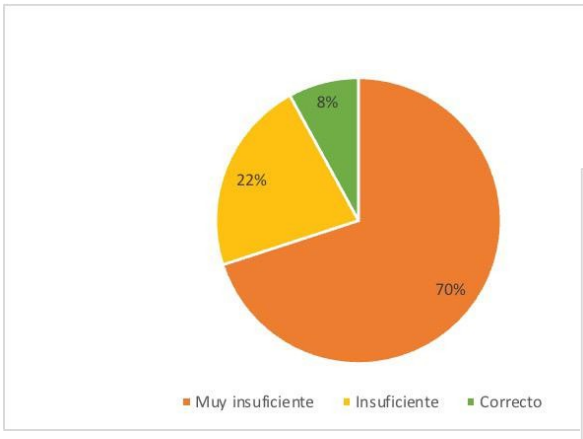

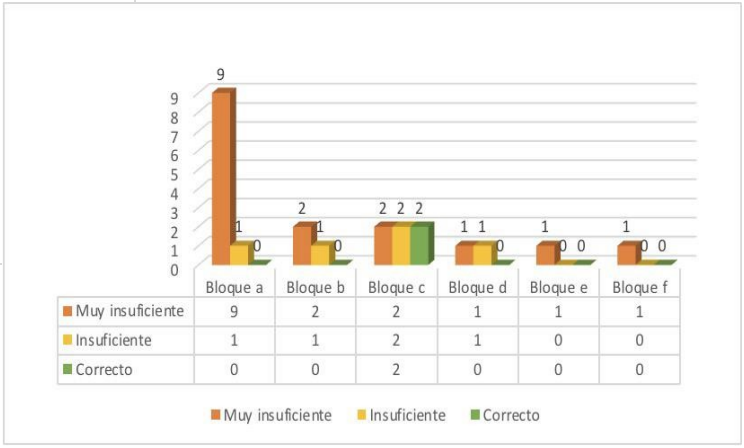

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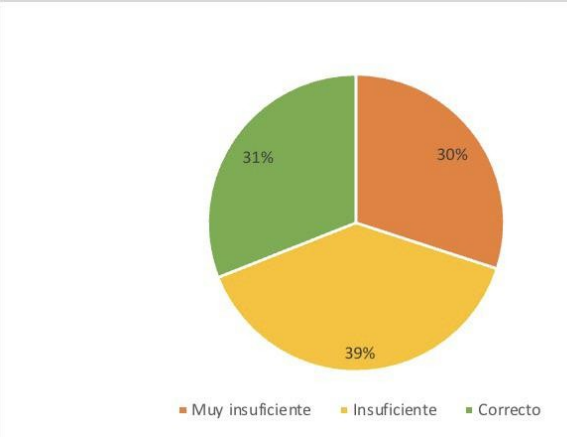

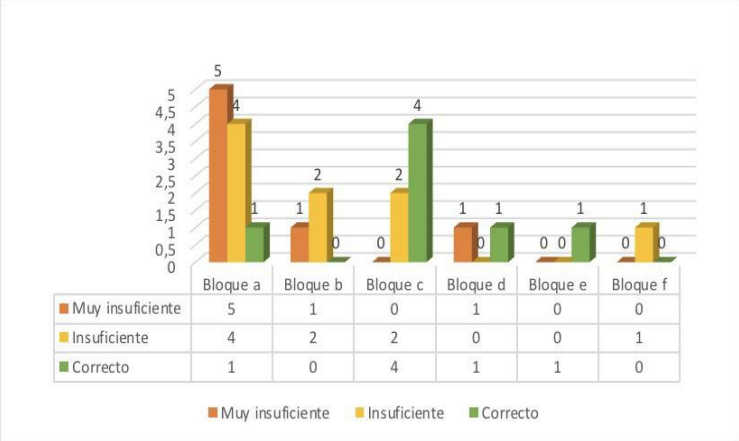

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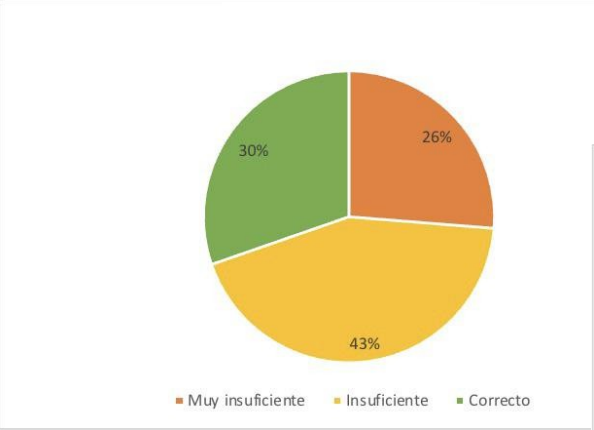

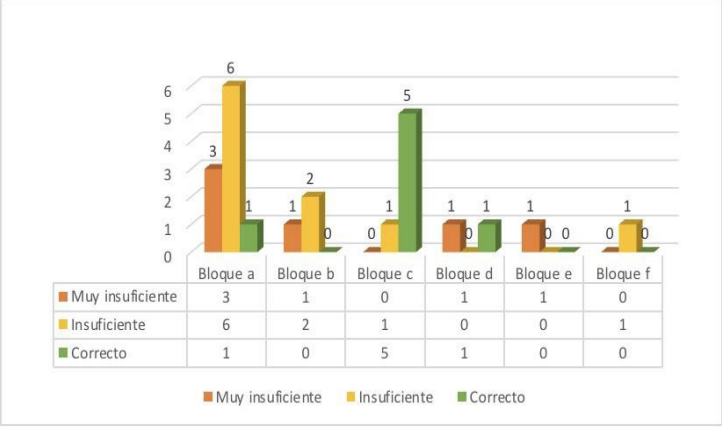

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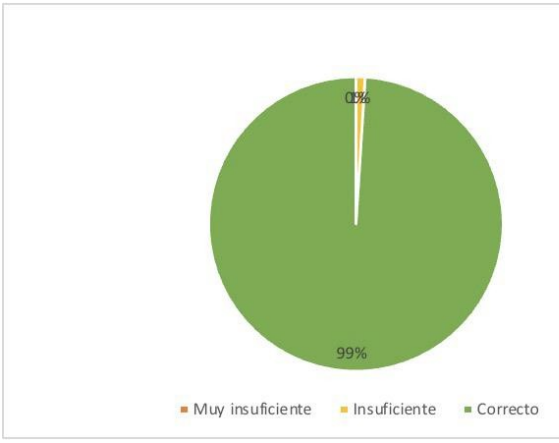

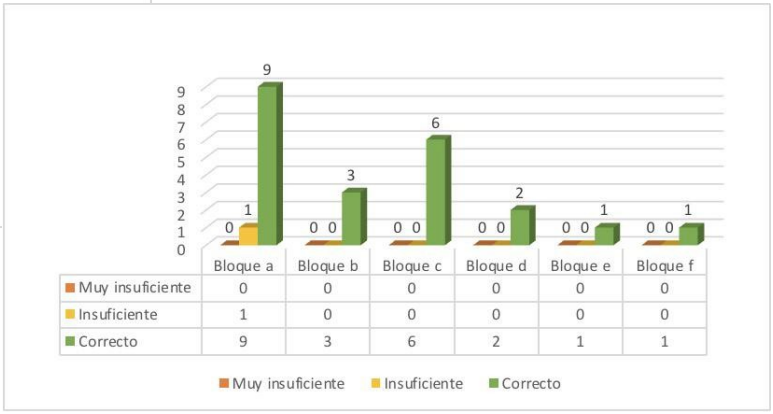

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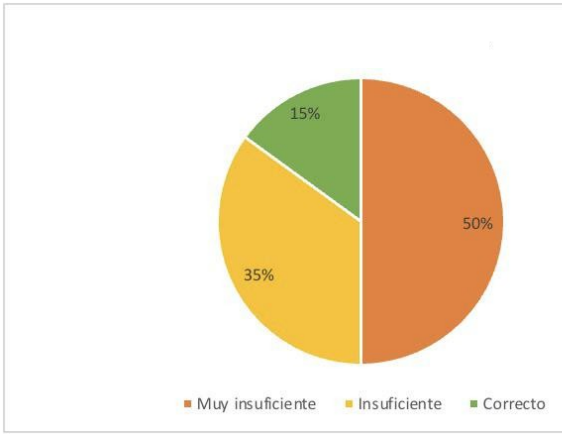

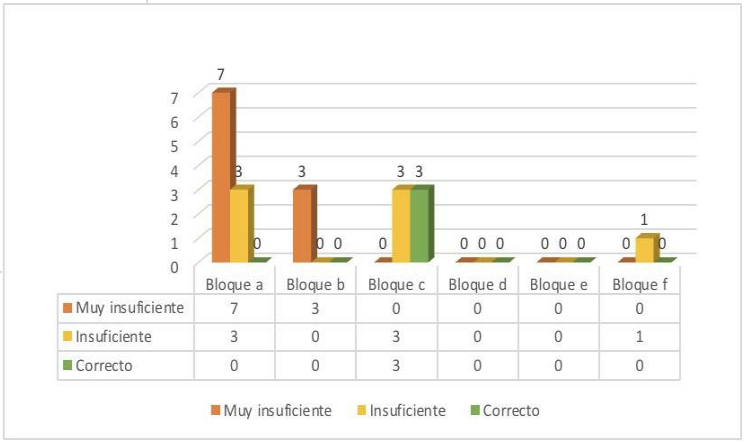

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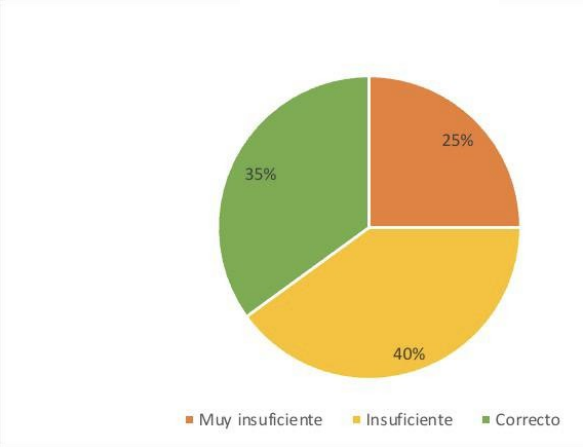

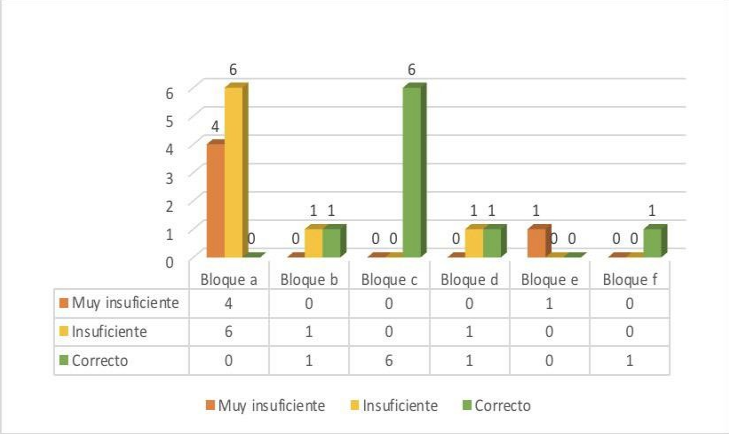

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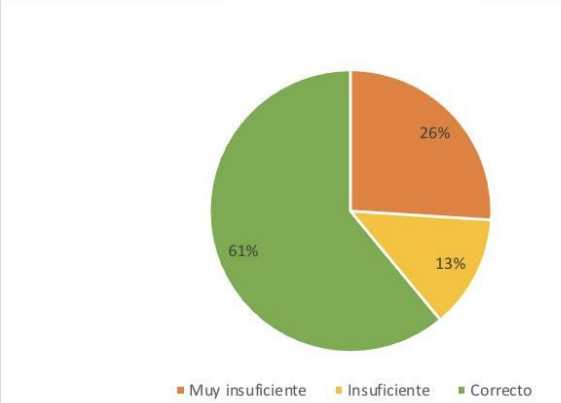

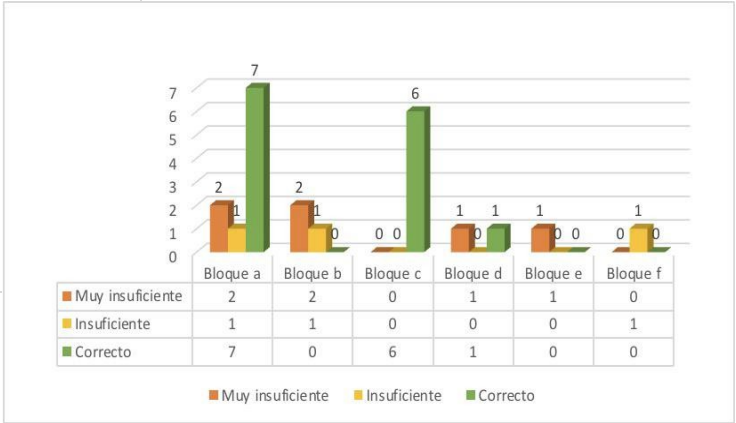

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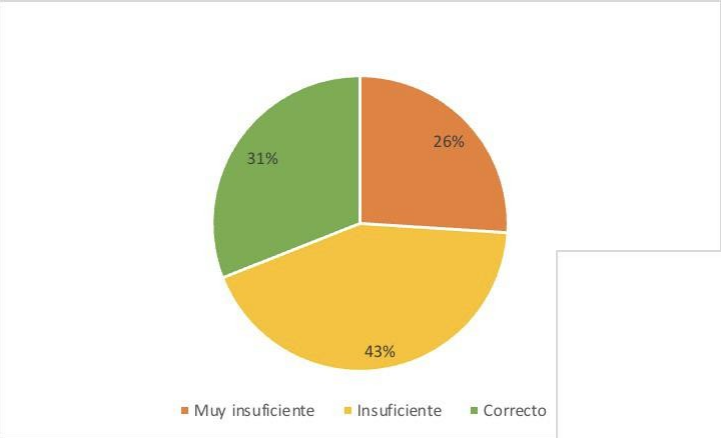

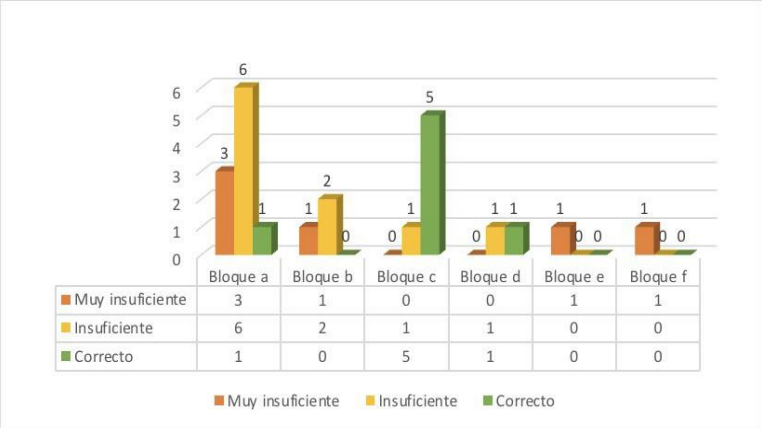

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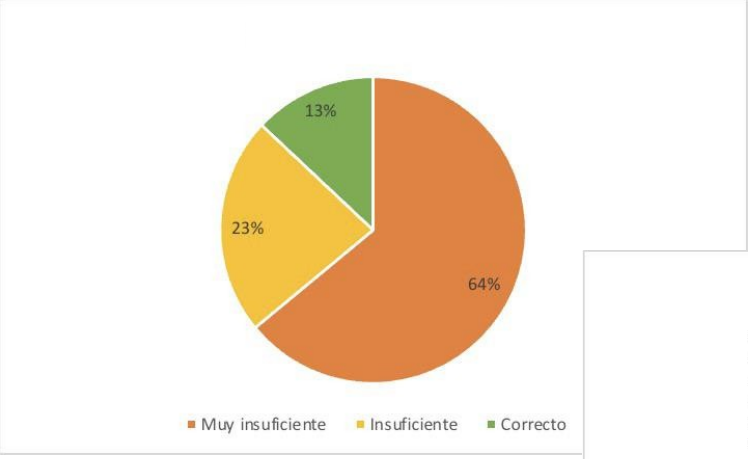

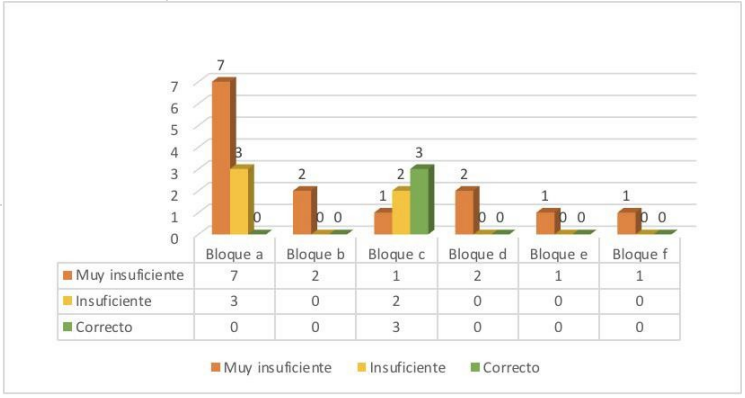

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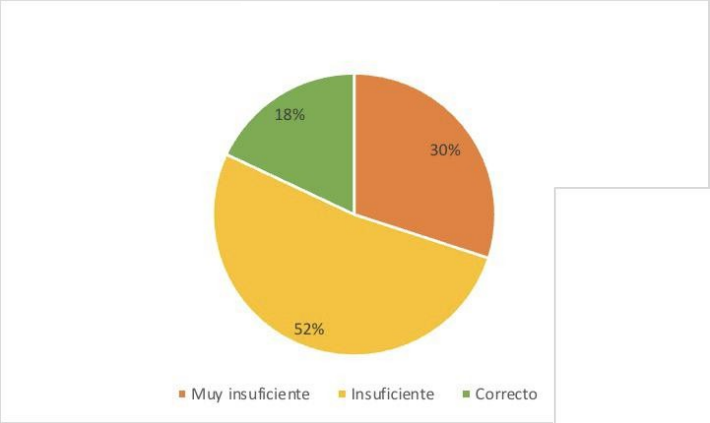

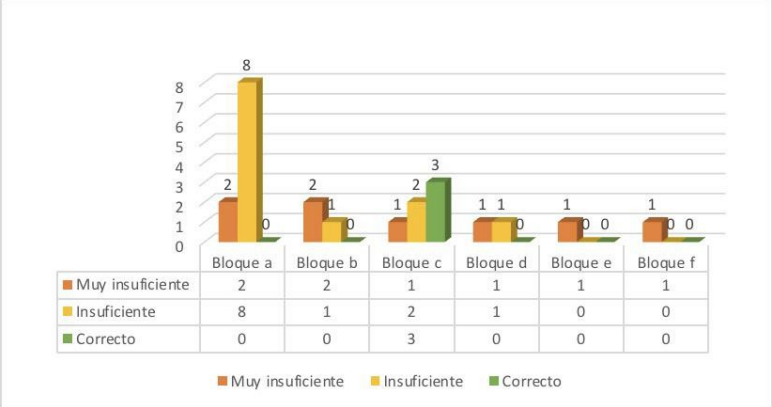

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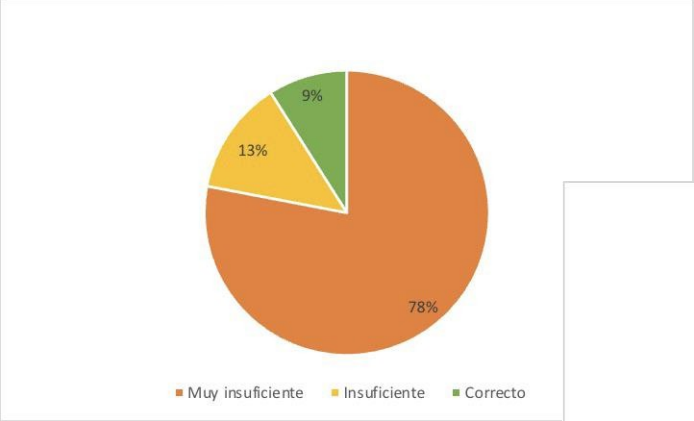

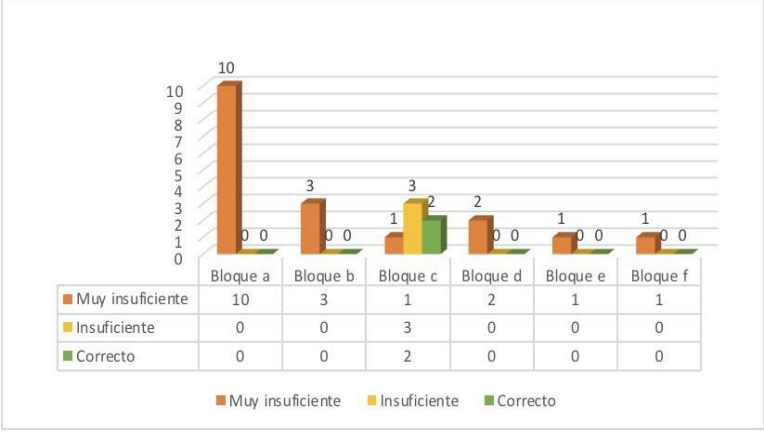

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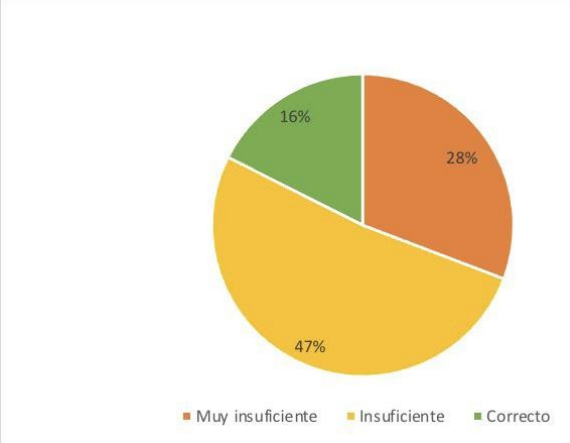

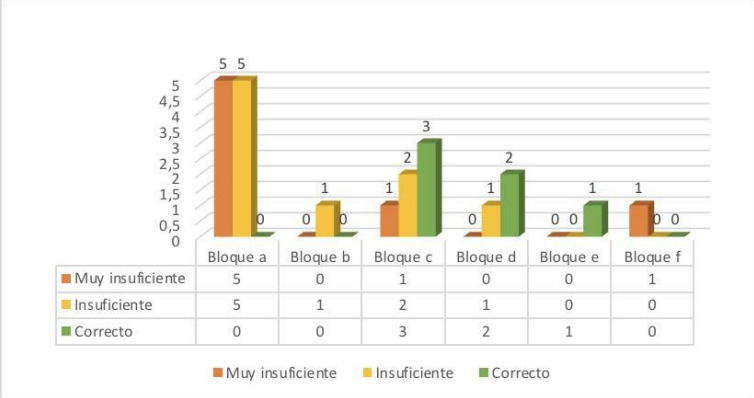

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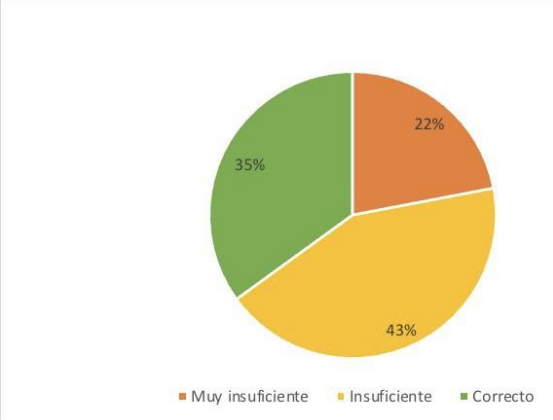

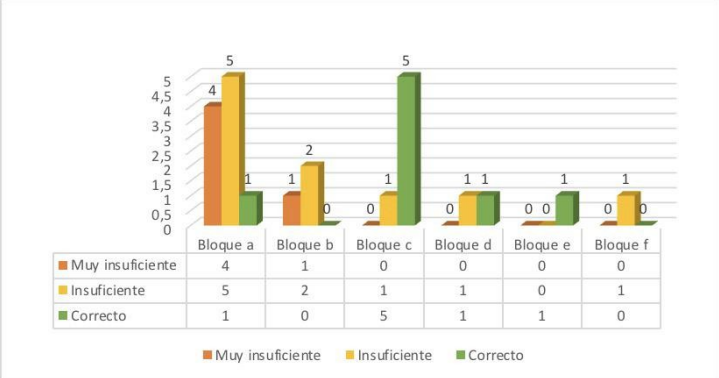

6. CONCLUSIONS

Solar energy is the fastest growing renewable energy source. Grenergy is in the process of geographic expansion, with new projects in new geographies, which have great potential to contribute to the clean energy transition, but at the same time pose increasingly complex human rights risks that require attention in order to achieve a transition that is, at the same time, just.

Human rights impact risks change, and given the complexity and variety in which they can arise in a company's various operations and global supply chains, due diligence, as noted by the UNGPs, needs to be continuous, ongoing and dynamic.

In this regard, this report includes some recommendations and best practices that aim to support Grenergy in reviewing its processes and implementing best practices, and to continue on the path that the company has already embarked on. It identifies opportunities for improvement in current practices and processes, and proposes recommendations for a more robust due diligence process. These strategic recommendations and action steps are not exhaustive and should be reviewed in light of changing times, circumstances, and changes in Grenergy's operations, and the dynamic nature of adverse impacts[38] .

Grenergy has taken fundamental steps to ascertain, ground and manage what human rights risks mean for its operations and supply chains and has robust due diligence systems in place to manage human rights issues. As an example of how Grenergy manages its potential impacts, it is worth highlighting the progress made in community management, with the hiring and reinforcement of teams in some projects, social teams on the ground, and practices to be able to transfer learning to other projects.

By conducting this assessment of human rights due diligence practices in the Projects, Grenergy demonstrates a strong willingness to assume its responsibility to respect human rights in line with the UNGPs.

However, there are some challenges to ensure that the due diligence system at the Project level is aligned with the requirements of the UNRP, notably supplier management.

38 This is emphasised in the European Parliament Resolution of 10 March 2021 with recommendations to the Commission on corporate due diligence and corporate responsibility.

Annex 1
List of persons interviewed and list of documentation reviewed

Below is a list of the documentation reviewed by BHR in the context of Grenergy's due diligence project.

Global Social Relations Manager
Sustainability Director
Local Social Manager
Local Social Manager
Director of Operations and Maintenance in Chile
O&M supervisor.
Asset Management in Colombia
Global Asset Management
EPC and Mexico Director

Information available on the website

- Human rights policy
- Supplier Code of Conduct
- Sustainability Report 2021

Information provided by Grenergy

- Pangui Community Activities Register
- Environmental management plan for the solar project pv MONTELIBANO
- Socio-Environmental Action Plan in Alignment with Equator Principles and IFC Standards - SOLAR PV MONTELIBANO PROJECT

Annex 2 Supplier Questionnaire

A. COMMITMENT TO ADDRESS HUMAN RIGHTS RISKS

QUESTIONS			
1. Is there a human rights policy?	There is no human rights policy, nor is there any declaration of respect for human rights. humans	There are various policies on sustainability, a code of ethics and code of conduct that mention, at some point, rights humans	Yes
MARK YOUR ANSWER HERE			
COMMENTS			
2. Has a person responsible for the implementation of the human rights policy been designated?	Not particularly.	Yes, there are some people responsible for some human rights issues but there is no centralised coordination in someone.	Yes, there is a specific position and area responsible for human rights issues.
MARK YOUR ANSWER HERE			
COMMENTS			
3. Have orders on human rights management been issued to human resources departments, site managers, technicians, supervisors to reduce and address these risks?	No.	Yes, for some decision-makers.	Yes, for all of them that may have a bearing on human rights issues, including health and safety, contracting, human resources, environment, social and community relations, etc.
MARK YOUR ANSWER HERE			
YES, IT DOES SPECIFY WHICH ONES			
4. Has there been any training on human rights issues?	No.	Yes, but only occupational health and safety training has been provided.	Yes, some people have been trained in human rights issues apart from those who have been trained in human rights. labour issues.
MARK YOUR ANSWER HERE			
COMMENTS			
5. Are there policies against bribery and	No.	Yes, there is a policy anti-corruption but there is no	Yes, there is a policy anti-corruption, is given

corruption, are they implemented and enforced?		a system behind to analyse and follow up cases.	monitoring and other measures are taken to follow up on the issue, such as formations.
MARK YOUR ANSWER HERE			
COMMENTS			
6. Do you conduct social audits or have social certifications?	No.	Yes, we do social audits	Yes, we do audits and have some social certification.
MARK YOUR ANSWER HERE			Certification:
COMMENTS			
Operational measures			
7. Has any identification of human rights impacts been carried out that could have been identified? have the company?	No, never	Some partial evaluations have been carried out, for example in relation to the impact on the communities.	Yes, human rights impact analyses have been carried out in accordance with the methodology of the Guiding Principles.
MARK YOUR ANSWER HERE			
COMMENTS			
8. Are complaint and grievance mechanisms in place?	There are no complaint mechanisms.	There are channels of dialogue with stakeholders through which expectations and complaints are identified.	Yes, there are one or more formalised human rights complaints mechanisms that take into account the 8 criteria of effectiveness of the human rights instruments. Guiding Principles.
MARK HERE YOUR RESPONSE			
COMMENTS			
9. How are risks mitigated and impacts remediated in a project?	No risks have been detected / no impacts have occurred in our work.	When a human rights risk is detected, measures are taken such as reviewing what has happened and implementing measures to correct it.	When a risk is detected, the case is investigated and resolved in accordance with international standards. In addition, internal procedures are changed so that it does not happen again. occur.
MARK HERE YOUR RESPONSE			
COMMENTS			
11 Have impact risks been identified	No risks have been detected / no impacts have occurred to	There is a code of conduct for suppliers, which requires them to practice	There is a code and also measures to verify compliance such as audits.

negative through suppliers?	through our suppliers and we do not have any policies or codes for suppliers about this issue.	responsible to human rights when they work for us.	to suppliers most at risk in human rights. The most important suppliers have been trained on the issues of human rights.
MARK YOUR ANSWER HERE			
COMMENTS			

B. LOCAL COMMUNITIES

Projects are likely to impact on the rights of the inhabitants of local communities, including their rights to life, health and an adequate standard of living, including food, housing, clean water and sanitation, peoples' rights to free disposal of natural wealth and resources and to development through the use of agricultural, forestry and water resources that may normally be used for agriculture or pasture or cultural traditions.

➔ Human rights impact: the negative consequences for communities of the area of operation that affect the way of life enjoyed so far. They can be economic, social or cultural in nature.

QUESTION			
10. Are there discussions with communities to see what possible impacts we might have on their rights?	It is not done.	Grenergy does it, not us.	Yes, communities are consulted to determine what potential impacts our activities could have on their lives and livelihoods. rights.
MARK YOUR ANSWER HERE			
COMMENTS			
11. What is the human rights impact dialogue with local communities like?	Communities are informed before the start of the project, but once the operation has started, there is no need to continue the dialogue because any problems have already been solved. resolved.	A complaint system is in place at the operational level for these issues in order to respond to their demands.	Once the project has started, a person is appointed to regularly dialogue with the communities about possible new impacts through a process open to all community members.
MARK YOUR ANSWER HERE			
COMMENTS			

12. How are impacts on communities managed?	We have no impacts on communities.	We have an operations manual that mentions how to solve environmental issues only.	There is a community engagement manual that includes what to do to prevent and mitigate human rights impacts. There is a designated person responsible for monitoring and verifying the outcome through indicators. concrete.
MARK YOUR ANSWER HERE			
COMMENTS			

C. LABOUR RIGHTS

Preventing labour abuses, including the risk of forced labour, because of the severity of the impact, is critical.

The greatest risks associated with forced labour may exist in subcontracting in construction and general service operations, and in transport providers and call centres, etc.

There are also risks in the suppliers of machinery, materials, minerals and fuels which, in many cases, are located in countries with a high risk of impact on all aspects of labour (health and safety, trade union freedoms, forced and child labour, etc.), the environment and corruption, among others.

QUESTION			
13. Is there any monitoring of compliance with occupational health and safety standards, including training? mandatory?	No	Yes, we have a monitoring system but it is not followed up on an ongoing basis.	Yes, it is complied with and followed up.
MARK HERE YOUR RESPONSE			
COMMENTS			
14. Are other aspects monitored, such as working hours, whether workers have access to facilities	No	Yes, but only when there is a complaint.	Yes, this is done regularly and corrective action is taken.

(dining rooms, toilets, etc.)?			
MARK YOUR ANSWER HERE			
COMMENTS			
15. Do you know if your workers have trade union representation?	We do not go into that issue. It does not apply to us.	No, but we maintain a dialogue when necessary.	Yes, we actively support dialogue on a regular basis.
MARK YOUR ANSWER HERE			
COMMENTS			
16. Are non-discrimination, equality and diversity promoted, especially gender issues?	No.	Yes, we monitor this issue.	We have a policy of gender equality and diversity.
MARK HERE YOUR RESPONSE			
COMMENTS			
17. Is equal pay for equal work paid even to migrant workers or to those who work in the informal sector? premises?	No	Depends	Always
MARK YOUR ANSWER HERE			
COMMENTS			
18. Is the company's supply chain free of child labour?	No	We suspect something at a supplier but have not done anything about it.	Yes, we have investigated some cases.
MARK YOUR ANSWER HERE			
COMMENTS			

D. SECURITY AND HIGH-RISK CONTEXT

Security maintenance operations of project facilities must be carried out within an operational framework that ensures respect for human rights, especially in areas that may be considered risk areas.

QUESTION			
19. Have the circumstances that may determine a high-risk environment been analysed in relation to the operation?	No	Yes, circumstances are assessed to measure the risk to infrastructure and personnel.	We have conducted a study to analyse the circumstances (e.g. presence of armed groups, reduced state presence, reminiscences of conflict, corruption, etc.) that may determine a high-risk context and require the adoption of special measures to avoid impacts on these dynamics and on the human rights of women. people and communities.
MARK HERE YOUR RESPONSE			
COMMENTS			
20. In relation to security personnel, have measures been taken to ensure that they receive human rights training?	No	Yes, but it was only done once.	Yes, measures have been taken to ensure that the rights of workers and members of the community are respected by in-house staff, private security companies that are contracted. Staff have been trained in the limits of their authority and mandate, including the use of the adequate force.
MARK YOUR ANSWER HERE			
COMMENTS			

E. MINERAL EXTRACTION

The mining industry has come under scrutiny for its connection to conflicts and human rights abuses (poor working conditions, forced labour or exploitation of child labour), deforestation, increased levels of violence and pollution, and loss of biodiversity in several countries. Indigenous communities are often the most vulnerable to impacts caused by mining activities. The extraction of minerals for renewable energy production (panels, turbines, other equipment) can carry the risk of a project being linked to such impacts.

QUESTION			
21. Have measures been taken to identify possible human rights impacts at the extraction stage of the materials used, for example in relation to minerals used in some components?	No.	A mineral procurement policy is in place.	A risk identification and assessment policy is in place in accordance with the OECD Guidance on Responsible Sourcing of Minerals. In addition, mechanisms and measures are in place with regard to traceability of minerals: concerns are communicated to suppliers regarding the provenance of minerals and there is recurrent dialogue regarding the issue.
MARK YOUR ANSWER HERE			

F. RIGHT TO A CLEAN AND HEALTHY ENVIRONMENT

The connection between human rights and environmental issues is increasingly evident, with countries' legislation taking steps towards this recognition. The environmental impacts of projects can be severe, and in some countries state control may be insufficient, which does not reduce Grenergy's responsibility to avoid impacts.

The UN Human Rights Council has recognised in 2021 that the right to a clean, healthy and sustainable environment is a human right.

QUESTION			
22. How are risks such as water, air and soil pollution, water depletion or environmental destruction managed, which in turn may have an impact on the health of local populations and other human rights?	Only what is mandated by local regulation for these environmental impacts is implemented. environmental.	Measures have been taken to prevent or mitigate and, where appropriate, remedy human rights impacts arising from impacts on the environment.	Measures have been taken, in dialogue with affected communities, to prevent or mitigate and, where appropriate, remedy human rights impacts arising from environmental impacts. Monitoring is carried out.
MARK YOUR ANSWER HERE			
COMMENTS			