



# TOP 10

Business and  
Human Rights  
Issues

# 2022





**TOP** Business and  
Human Rights  
Issues  
**10** 2022

**The 2021 UN Climate Conference in Glasgow (COP26) focused global attention on the growing urgency of the climate crisis. But huge gaps still remain in commitment and action needed to confront the threat of global warming, and to do so in ways that are consistent with international human rights standards.**

Looking ahead to 2022 and beyond, it is imperative that environmental and human rights agendas become holistically integrated. That includes making business and human rights standards and approaches more relevant to ongoing climate action at every level. To aid in this critical integration of agendas, IHRB's Top 10 Business and Human Rights Issues for 2022 examines the intersection of human rights and climate action, highlighting ten priority areas demanding action by governments, business, and civil society.

We dedicate this year's Top 10 to the memory of [John Ruggie](#), architect of the UN Guiding Principles on Business and Human Rights (UNGPs), and our former Chair and Patron. His tireless efforts to develop the UNGPs and work with the business and human rights community to advance their implementation across sectors and continents is an example to us all. There is perhaps no greater frontier than the net-zero future to which the world must now pivot. We must respond to the challenge in ways that build trust, solidarity, and shared responsibility for results.

**As always, we welcome your comments, feedback, collaboration, and ideas.**

# STATE LEADERSHIP

Placing people at the centre of government strategies in confronting the climate crisis



Tuvalu Foreign Minister Simon Kofe delivers a virtual speech at COP26 standing knee-deep in sea water to demonstrate the realities of climate change and rising sea levels. (Reuters)

## COP26 outcomes represented initial, but ultimately inadequate, progress toward protecting humanity from the worst effects of the climate crisis.

The negotiations in Glasgow also marked the moment, as one commentator [noted](#), “when climate politics began to focus on the energy transition as a matter of industrial policy.”

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Some progress was made at COP26, including a commitment to double adaptation finance and a requirement for countries with weak climate targets to improve them over the next twelve months. Important voluntary side-deals were made to stop gradually the use of methane and coal, and reverse deforestation, while some countries showed leadership in pledging to end oil and gas production. But many countries were called out for their [failure of leadership](#), refusal to [act at scale](#), and taking only minimal steps to move business in a more sustainable direction – including transparency over [corporate influence](#) in the proceedings. Accountability and justice for historic contributions to climate change remains an unresolved issue, with [loss and damage](#) happening around the world with increasing regularity and the lack of a collective mechanism to address the issue.

Market-based measures and corporate strategies alone will not and cannot deliver results fast enough. Governments must maintain [relentless pressure](#) and transparency if the [narrowing 1.5C path](#) is to be achieved.

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Governments’ human rights [obligations](#) related to climate change are multiple and complex, but 2021 saw the connections between these agendas affirmed in important ways. The UN Human Rights Council recognised explicitly a human right to a [clean, safe, and healthy environment](#), and created a new mandate for a UN [Special Rapporteur](#) on Human Rights and Climate Change. The UN Working Group on Business & Human Rights’ [Roadmap](#) for the next decade recognised [just transition](#) as a primary imperative. National legislation [mandating](#) joint human rights and environmental due diligence continues to gain momentum.

The [ILO Guidelines](#) for a “Just Transition Towards Environmentally Sustainable Economies and Societies for All” set out the foundations of state action: macroeconomic, sectoral, and enterprise policies that ensure jobs and decent work; rights and occupational safety and health; social protection; skills development; active labour market policies; and social dialogue. Each of these individual strategies have been tested in different contexts over the years, but [national examples](#) of ambitious and coherent implementation *as a package* are few and far between. The year ahead will see increasing demands on states to take the steps needed to incentivise faster rights-respecting climate action.

# ACCOUNTABLE FINANCE

Scaling up efforts to hold financial actors to their human rights and environmental responsibilities



Extinction Rebellion protesters outside the Bank of England - part of their 2021 "Blood Money March" in London. (orlando britain / Alamy)

**The financial sector – including commercial banks, institutional investors, and development finance institutions – has come into sharper focus in recent years over how it uses its leverage to influence corporate behaviour, in particular how they address their environmental and social impacts.**

Major financial actors are **crucial to achieving net-zero**. For example, the **Glasgow Financial Alliance for Net Zero** (GFANZ), launched in April 2021, has grown to include 450 institutions **reportedly** committing \$130 trillion to the transition to net zero. But these efforts are being simultaneously undermined by financial actors who **continue to invest** in fossil fuel projects or fail to responsibly leverage their business relationships with carbon intensive industries.

Financial **transparency** around climate action has to date been sorely lacking. Calls for **common definitions and standards** are growing. These necessary improvements must include an integrated lens on social and environmental priorities to ensure humanity's progress on a broad-based scale. The same goes for the many private sector initiatives to mobilise climate finance – including **GFANZ** but also **#RacetoZero** and **ClimateAction100** amongst others – which are not currently demonstrating integrated social risk priorities in their climate action financing. “Pledge fatigue” is frustrating many stakeholders, but numerous **resources** and **examples** exist to deepen meaningful commitments and deliver positive results for the planet and people.

The present-day financial implications on rights and livelihoods are very real, with an estimated shortfall in insurance cover of **\$227 billion** for loss

and damage from flooding, wildfires, and other climate-driven catastrophes already affecting vulnerable communities. At COP26, **Scotland** and **Wallonia** were the only governments that stepped up to pledge funding to small nations bearing the brunt of climate change. Without further **government** leadership **strategic litigation** will only grow against both states and financial actors for their roles in the current and future impacts of the climate crisis.

In 2022, the business and human rights community, including the newly created **UN mandate** on human rights and climate change, should continue to press for **social accountability** by financial actors pledging climate action. Continued efforts are needed to drive truly **sustainable finance**, particularly to embed mainstream understanding of the UN Guiding Principles on Business & Human Rights as the core standard of the **S in ESG** and their relevance across all types of **financial actors**.

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# DISSENTING VOICES

Ensuring developmental and environmental priorities do not silence land rights defenders and other critical voices



## In 2020, Global Witness recorded 227 lethal attacks on land and environmental defenders around the world who were standing up against harms to communities connected to vital natural resources.

Three countries – Colombia, Mexico, and the Philippines – account for more than half of reported incidents. Those responsible for such violence included security forces – army, paramilitary, police, and private security – as well as mafia and criminal gangs often acting at the behest of powerful interests which may include the state or business, and sometimes together, seeking access to valuable resources. The majority of these instances involved logging in forests, mining, or other extractive resources.

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Economic progress, if broadly shared, is crucial to realising development goals, but not if it undermines the rights of vulnerable communities, or displaces them without due process. History is replete with examples of [human rights defenders](#) acting as the last line of defence for marginalised communities' rights to land, water, and dignified livelihoods.

In their expanding pursuit of environmentally-sound energy, technology, and other projects, companies must pay due attention to human rights. That includes learning from experience of others on issues such as [free, prior, and informed consent](#) (FPIC) of affected communities, operating in a [conflict-sensitive](#) manner, paying attention to [red flags](#), and ensuring [heightened attention](#) when operating in fragile environments.

Plans for generating energy in a decarbonised future face the [age-old challenges](#) of operating in often remote, fragile zones where communities have lived for centuries. Companies producing renewable energy, their [suppliers](#), and the [buyers](#) of renewable energy, must learn from the [mistakes](#) of the past and not [repeat](#) them. So too must those involved in the growing array of [nature-based solutions](#), which can only achieve their objective of protecting, restoring, and sustainably managing land and resources if their interventions are designed to be rights-based, [culturally appropriate and anchored](#) in the self-determined priorities of local peoples.

In 2022, much greater efforts are needed by companies and governments involved throughout the energy and technology value chains to engage and listen to communities and to find meaningful ways of addressing the legitimate concerns of land defenders and other activists. That includes those calling out intended or unintended consequences of rapid climate action.

A key part of that process will involve more businesses recognising their shared interest in working with civil society groups to defend the [shared space](#) for democratic and peaceful forms of activism.

# CRITICAL COMMODITIES

Addressing human rights risks in mining to meet clean energy needs



Mining for tungsten and tantalum in the Democratic Republic of the Congo. (Harold Bonacquist / Dreamstime)

## Demand for the minerals and metals required to meet renewable energy needs is accelerating exponentially.

This includes [commodities](#) like copper, cobalt, lithium, cadmium, rare earth elements, and silicon, which are essential for green economy technologies including solar photovoltaics, batteries, electric vehicle motors, wind turbines, fuel cells, and nuclear reactors. But the urgency to achieve net-zero as fast as possible risks overlooking the clear and present social risks for host communities and workers that must be managed as part of the sourcing, processing, and supply of essential commodities.

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Some sources predict a [300% growth](#) in demand for copper by 2050. Yet [47% of the top 300](#) undeveloped copper ore bodies globally are located on or near [indigenous peoples' lands](#), 65% are in high water risk areas, and many are located in conflict-prone or conflict-affected areas. Similarly, the exponential increase expected in lithium and cadmium extraction in regions already stressed by the lack of water, such as in Chile and Argentina, risks depleting groundwater resources for local and indigenous communities.

The extraction of rare earth elements has been linked to chemical pollution and tailings threatening rural groundwater aquifers, rivers, and streams in China, as well as hazardous exposure for workers. Similarly, polycrystalline silicon, much of which comes from [Xinjiang](#), is linked to widespread [reports](#) of forced labour.

Two-thirds of the world's cobalt comes from the [Democratic Republic of Congo](#), but so far the path to the green economy is only reinforcing, rather than addressing, the harsh and unsafe [working conditions](#) common to the local industry – in particular for the many women and children who work in the sector.

[Geopolitical trends](#) toward securitising supply and stockpiling of “[transition minerals](#)” raise the risks of deepening the troubling human rights realities that the many workers and communities delivering these critical raw materials already face. This is all the more concerning given that – despite many years in the spotlight and the wide range of existing [guidelines](#) and [tools](#) – most extractive companies have yet to demonstrate respect for human rights consistently and reliably in and around mine sites and throughout their supply chains (including those [existing](#) coal projects). Recent [research](#) shows that although the majority of companies now have responsible sourcing policies, implementation efforts continue to lag behind.

Calls are growing to enforce environmental protection laws, investigate allegations of abuse, and make human rights due diligence a mandatory requirement throughout supply chains. The year ahead presents a critical moment to rethink the way economies and industries operate as attention mounts on the human rights implications of the drive to obtain the commodities critical to renewable energy, green technology, and more environmentally sustainable economies.

# PURCHASING POWER

Using the leverage of renewable energy buyers to accelerate a just transition

A boy looking on to Lake Turkana Wind Power's 365 turbines - land also used by the local nomadic population for settlement, grazing of livestock, and access to water points. (Maurizio Di Pietro / Climate Visuals Countdown)

## The private sector accounts for around half the world's end-use of electricity.

As fossil fuels have increased in price unpredictability and reputational risk, demand for and affordability of renewable energy – especially from [data-heavy tech giants](#) – has increased significantly.

In the US for example, the combined annual green power use of the top 100 companies currently amounts to 73 billion kilowatt hours – equivalent to the annual electricity use of nearly [6.9 million American homes](#), and more than double the amount drawn just three years earlier. In Europe, renewable [corporate power purchasing agreements](#) (CPPAs) are up 80% year-on-year since 2013.

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But there is little evidence to demonstrate purchasers of renewables are including appropriate actions to prevent, mitigate, or remedy the human rights impacts of their energy suppliers. Industry initiatives – such as the Clean Energy

Buyers Association ([CEBA](#)), European Platform for Corporate Renewable Energy Sourcing ([RE Source](#)), [WBCSD's](#) Corporate Renewable PPA Forum, the WWF/WRI Corporate Renewable Energy Buyers' [Principles](#), [RE100](#), [Climate Group](#), and [investor initiatives](#) are singularly focused on scaling up the renewables industry and catalysing corporate transitions to renewable energy as fast as possible.

Buyers of renewables need to demonstrate that their energy transition is not being procured at the cost of workers and communities harmed by renewables companies' activities – including the activities of their suppliers [mining for commodities](#) critical to the energy transition. This need not slow growth of the green economy. In fact, applying human rights principles – engagement, transparency, accountability, and non-discrimination – can strengthen climate outcomes and should become central elements of [corporate power purchasing frameworks](#) in the time ahead.

With large-scale purchasing of renewables comes significant leverage to effect change in the social performance of wind, solar, and other renewables producers. Many lessons can be learned from investors, who have long grappled with what it means to exert leverage in their clients' activities.

Leverage comes in many forms, and looking ahead it is imperative that buyers of renewable energy – private and public – use their individual and collective purchasing power to set clear human rights expectations, continually engage renewables companies on their human rights risks, and demonstrate leadership as key players in driving a truly just transition to the green economy.

# RESPONSIBLE EXITS

Protecting workers and communities in transitions out of high-carbon activities



The incredible scale of a coal mine in Esteruel, Spain, emphasised by an onlooker and the tiny (but in reality enormous) machinery in the background. (Jennifer Woodard Maderazo / Climate Visuals)

## Coal fueled the Industrial Revolution and helped build economies around the world.

Two centuries later, the climate crisis demands quick [phase-out of coal and fossil fuels](#) if the world is to limit the worst effects of global warming and to ensure a sustainable, dignified life [future generations](#).

Yet the exit from coal and other historic energy sources raises paradoxes and dilemmas. Climate mitigation measures will have a major impact on many economies, communities, and workers who have long depended on the production, processing, export and consumption of fossil fuels. Assets will need to be closed down and in some cases are already being [sold on to less responsible actors](#) with poor track records for respecting workers, communities, and the local environment. At the same time, delaying climate action has significant human and social implications, particularly for groups already vulnerable, disadvantaged, and facing discrimination.

Ensuring that transitions away from fossil fuels are socially just, equitable, and inclusive will require coordinated and collaborative approaches that involve all stakeholders, including governments, businesses, civil society, and rights-holders. [ILO Guidelines](#) emphasise that a [just transition](#) should be guided by coherent policies to anticipate impacts on employment, ensure adequate social protection for job losses and displacement, skills development, and social dialogue.

[Integrated approaches](#) encompassing the climate change and business and human rights agendas can guide responsibly managed exits in the «transition out, but there will need to be much greater engagement in specific contexts to gather evidence on the effectiveness of approaches that produce positive outcomes for workers and

communities. [Climate denial and inaction](#) as well as [corporate capture](#) will also need to be actively combatted, to ensure worker and community impacts are managed and not used as reason to delay the net-zero transition.

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The recent [announcement](#) by a number of governments to support South Africa over the coming years in its commitment to move away from coal and to accelerate its transition to a low emission, climate resilient economy is a potential template for the kinds of international collaboration required to guide local energy transitions. Such examples will need to be studied and monitored to ensure they move in directions that are consistent with international human rights and labour standards.

The energy transition is about the environment as well as people. Looking ahead, the «responsible exit” challenge will require commitment to meaningful engagement with diverse stakeholders and an equitable distribution of the benefits and losses resulting from the unavoidable economic and social changes to come.

# GREEN BUILDING

Constructing rights-based approaches to mitigation and resilience for buildings and infrastructure



Renovating Fatateeh Primary School in Egypt to host 279 students providing short-term employment opportunities to unskilled and semi-skilled workers as well as access to basic infrastructure services. (Demonic Chavez / World Bank)

## Buildings and construction contribute over a third (37%) of global energy-related carbon dioxide emissions.

The built environment also has a direct impact on people's lives and the realisation of fundamental human rights such as rights to housing, water and sanitation, and physical and mental health.

The building and construction industries are now moving rapidly to mitigate their carbon footprints, while strengthening resilience to climate impacts such as extreme heat, flooding, and rising sea levels, and COVID-driven economic recovery. Action will require: prioritising use and adaptation of existing buildings over new builds where possible, and curbing speculative real estate that contributes to empty buildings; improving energy efficiency; decarbonising power supplies; and reducing the "embodied carbon" stored in building materials.

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Buildings also depend on the infrastructure that connects and supports them, including energy, water, transport (link to TRANSPORT), and "social" infrastructure such as hospitals and schools. Here,

too, there are risks and opportunities for people as infrastructure aims to mitigate and adapt to climate change. New infrastructure – as seen in initiatives like Build Back Better World, Belt and Road, Blue Dot Network, and Global Gateway – goes beyond mere bricks and mortar, raising significant geopolitical relevance. Accountability and transparency in decision-making on what infrastructure is built, and how, will be critical – with civil society and responsible business playing an important role.

Balancing new infrastructure with strengthening the resilience of existing infrastructure is also important. This presents a financing challenge: finance for adaptation continues to make up only around a fifth of overall climate finance, with private financial flows increasingly moving into infrastructure as an asset class, where mitigation projects are prioritised.

Human rights considerations relating to the prioritisation of investments, and the processes by which they are implemented, also arise in the context of "smart", technology-driven approaches to climate mitigation and adaptation in the built environment.

In 2022 and beyond, the challenge throughout the built environment lifecycle will be for building and construction industries to deliver mitigation and resilience while avoiding corruption, reducing inequality, preventing harm to people, and unlocking opportunities for workers and vulnerable communities. Managed well, these processes can create significant opportunities in job creation, improve access to energy-efficient housing, and provide superior indoor and outdoor air quality.

# AGRICULTURAL TRANSITIONS

Embedding equity and justice in global food production transformations

Thick smoke billowing into the sky from crop stubble burning in Faridkot, India - a farming practice to clear the land. (Ishan Tankha / Climate Visuals Countdown)



**Food production is responsible for about one-third of global emissions, with the largest emissions coming from the heavily industrialised global north reliant on intensive, large-scale farming.**

Unsustainable practices, such as burn clearing, are common. Food waste is an enormous contributor to the overall figure, with around one-third of food produced globally wasted post-harvest – simultaneously contributing to global inequity and the more than 2 billion food-insecure people around the world.

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Agriculture is often identified as one of the sectors most vulnerable to climate change. Droughts, floods, wildfires and heatwaves have all destroyed or reduced harvests in recent years, and the introduction of new pests and diseases are expected as the world continues to warm. Environmental instability has also impoverished many farmers and workers to the point that they have been forced to migrate to other regions

and countries to find new livelihoods, or in many instances to take their lives (including in countries as diverse as Australia, with its large farms, and India, where most holdings are small).

Decarbonising the agriculture sector is critical to maintaining a path toward limiting global warming to 1.5 degrees. 2021 saw efforts mobilise to stimulate the most influential food and agriculture companies to apply sustainable business practices throughout their operations as well as use their influence to encourage value chain partners to do the same, and momentum for regenerative agriculture is growing.

The necessary reforms present opportunities for the sector to reduce emissions while addressing food security, resilience, and rural development goals. In doing so, it will be imperative for underrepresented and marginalised groups – such as women, small holders, migrant workers, and indigenous peoples – to be at the centre of this industrial transformation and decision making by both government and business, or else changes will understandably be met with resistance.

ActionAid’s Principles for a Just Transition in Agriculture offer four key steps to guide governments and business in achieving this rights-based transformation: i) address – don’t exacerbate – inequalities; ii) transform the food system to work for people, nature, and the climate; iii) ensure inclusiveness and participation; and iv) develop a comprehensive framework.

While the just energy transition has begun to gain tangible momentum in policy fora such as the UNFCCC, the same cannot be said for the agricultural sector. The 2022 UN Climate Conference in Egypt (COP27) will provide an opportunity to ensure the highest emitting sectors, including agriculture, are given the appropriate scrutiny and resourcing for just transition policy design and support.

# TRANSFORMING TRANSPORT

Mobilising green transport to be inclusive and rights-respecting



An employee on the assembly line of the Mahindra Treo e-auto factory in Bangalore, India. (Abhishek Chinnappa / Climate Visuals Countdown)

## Transport is essential to trade, economic growth, and broad-based employment, but it is critical that it operates in a sustainable manner.

The transport sector, including passenger and freight activity, remains largely carbon-based and currently accounts for approximately **23%** total energy-related CO2 global greenhouse gas emissions. The sector also continues to require significant reforms to make transport options affordable and available to all, and to address other **human rights concerns** including working conditions, gender-based discrimination, and risks relating to land acquisition.

In October 2021, the second **Global Sustainable Transport Conference** brought together governments, UN agencies, and a range of stakeholders to take steps aimed at realising more sustainable transport – meaning universally accessible, safe (particularly for women, minorities, and other marginalised communities), and efficient while reducing environmental impact. These aims are viewed as being of vital importance to achieving the 2030 Sustainable Development Agenda and the Paris Climate Agreement. It remains to be seen whether including sustainable transport as part of UN processes will lead to concrete steps at national level over the coming years.

At COP26, a **declaration** on accelerating the transition to 100% zero emission cars and vans signaled strengthened commitments on the part of some governments, investors, automotive companies, fleet owners and operators, to overcome current barriers to faster progress in this area. The declaration acknowledges that shifts to **zero emission vehicles** must happen alongside wider system transformations on issues such as public and shared transport and greater efforts to address the full value chain impacts of the sector. Zero-emission

vehicles are crucial, but the **commodities** on which they depend pose human rights challenges that the sector has barely examined.

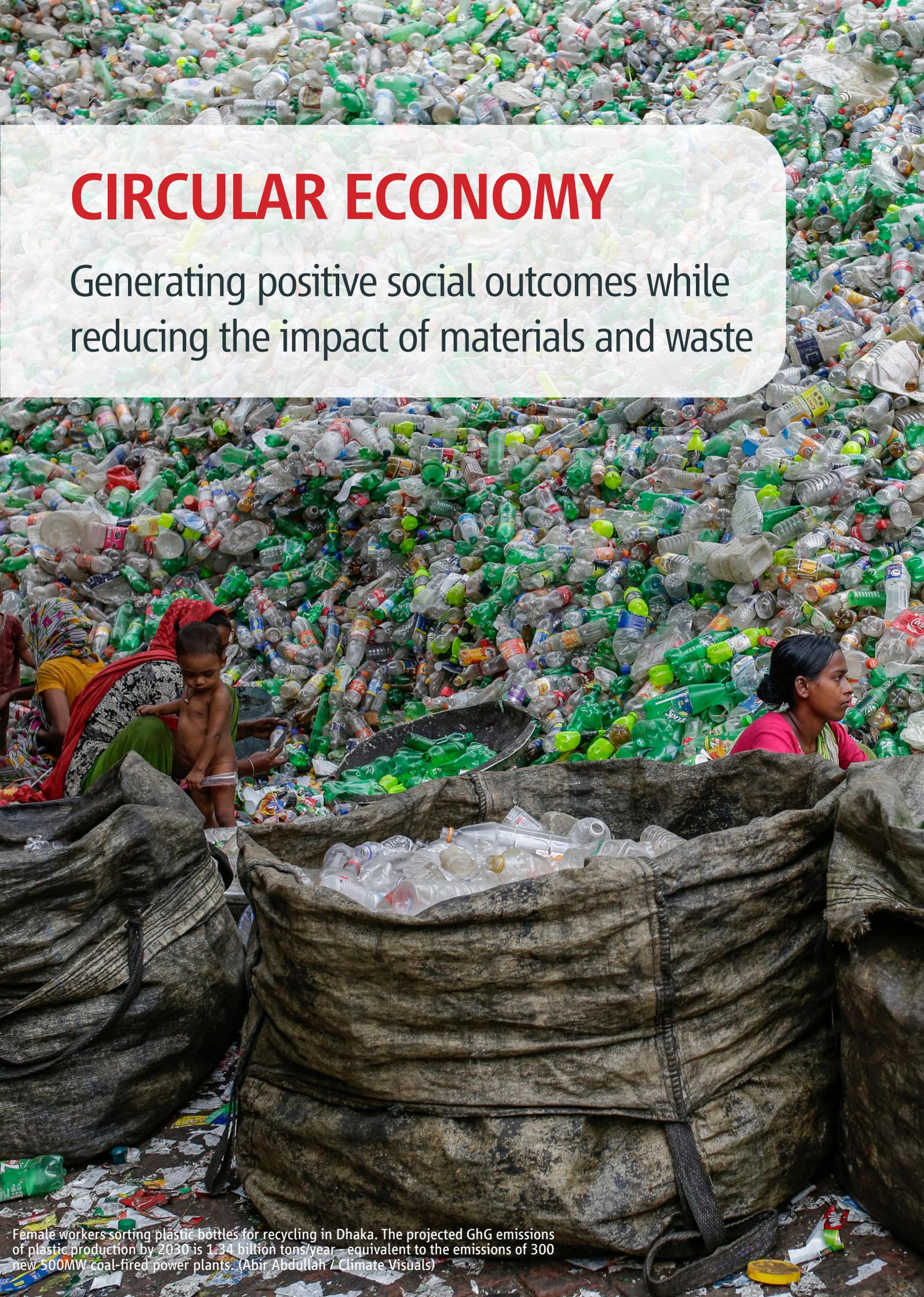
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*Opportunities for job creation and strengthened social inclusion in a reformed and reimagined transport sector remain largely unexplored. More investments in creative approaches to connecting different mobility demands - from commuting to freight - with low-carbon and rights-affirming alternatives will be needed in the time ahead.*

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As **trade unions** and other advocates have noted, opportunities for job creation and strengthened social inclusion in a reformed and reimagined transport sector remain largely unexplored. More investments in creative approaches to connecting different mobility demands - from commuting to freight - with low-carbon and rights-affirming alternatives will be needed in the time ahead. Plans such as the European Commission’s 2020 **Sustainable and Smart Mobility Strategy**, which calls for “decisive action to shift more activity towards more sustainable transport modes”, and which makes a number of targeted commitments for the coming decades, must now be implemented and replicated in other regions.

The year to come will likely see increasing demands on key actors in the transport sector to more rapidly scale up transformations of mobility systems needed to achieve climate and sustainable development objectives and to do so in ways that ensure respect for the rights of all people.



# CIRCULAR ECONOMY

Generating positive social outcomes while reducing the impact of materials and waste

Female workers sorting plastic bottles for recycling in Dhaka. The projected GhG emissions of plastic production by 2030 is 1.34 billion tons/year—equivalent to the emissions of 300 new 500MW coal-fired power plants. (Abir Abdullah / Climate Visuals)

## The extraction, processing, use and disposal of materials in many products and structures is a major contributor to climate change, with adverse environmental and social impacts as well.

The [building and construction sector](#) uses many materials that add to global emissions. Cement alone contributes **8%** of global emissions, and the contributions of steel, brick, and stone are significant. Technology and renewable energy sectors rely on [minerals and metals](#) like coltan, lithium, and copper. Excessive use of raw and processed fabrics in the [garment industry](#) is exacerbated by “fast fashion” business models.

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*In the time ahead, ensuring that circular economy developments move in a positive direction for workers and communities will likely gain momentum and involve strategic interventions by multiple actors – investors and owners, companies, and governments.*

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Growing interest in a “[circular economy](#)” focuses on reducing materials footprints and preventing disposal in landfills. It prioritises re-purposing or re-using materials already in circulation, and recycling others. Such approaches reduce dependence on supply chains, and related risks of human rights abuses, and can generate positive social outcomes, including stimulating new industries and generating new jobs.

The benefits, however, are not inevitable. New approaches to waste management and recycling may displace methods that provide incomes for [informal workers, particularly women](#). To be sure, some traditional methods are degrading, dangerous, or dehumanising and these must change. But circular economy transformations must not disregard the livelihoods of informal workers. Similarly, “[green](#)” industries do not necessarily have strong worker protections, nor provide opportunities for those facing barriers to employment.

High income countries have much larger material footprints per capita than low-income countries – by some estimates, as much as **10 times** – making it critical that nationally-determined contributions (NDCs) to climate change include not only emissions generated within borders, but also the impacts of consumption. Circular economy innovation in highly industrialised contexts may overlook the fact that for many low-income and traditional communities, minimal material footprints and re-use is a way of life. In the time ahead, ensuring that circular economy developments move in a positive direction for workers and communities will likely gain momentum and involve strategic interventions by [multiple actors](#). Investors and owners of companies, buildings, and infrastructure projects will need to assess materials impacts, apply “[materials passports](#)”, and guide shifts towards circular practices consistent with human rights standards.

Companies, supported by [investors](#), will need to scale up [innovations](#) in materials re-use and recycling, and provide [platforms](#) that connect buyers to low-carbon and responsibly-produced materials. [Governments](#) – from national level to regions and [cities](#) – have critical roles to play as well, by harnessing regulatory, procurement, and convening powers to reduce waste, incentivising circular strategies, and ensuring strong social and worker protections.

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