



Offshore and Coastal Renewable Energy

What is the issue?

Renewable forms of energy, including offshore wind energy, are critical for a sustainable transition away from a carbon-intensive economy. Europe currently accounts for 80% of global offshore wind energy capacity. Other regions are scaling up offshore wind energy as well to meet massive increases in demand, including in emerging markets where regulatory frameworks are less well developed. China was expected to [overtake the UK](#) as the country with the largest installed capacity in 2021. Substantial offshore wind energy investments are also evident in [Japan](#), [South Korea](#), [North America](#) and [Latin America](#), with smaller plans in [West Africa](#) and the [Middle East](#).

There is a general assumption that “green” investments such as offshore wind energy, because of their contribution to addressing the climate crisis, are socially responsible. This isn’t always the case, however, because the actions of companies in the renewable sector can also cause or be linked to adverse impacts – on the environment and on people’s rights.

Whose human rights are impacted?

Offshore and coastal wind projects can result in adverse human rights impacts for a range of stakeholders including:

Workers in offshore wind energy operations

Offshore wind energy is expected to contribute significantly to direct and indirect job creation, but without specific commitments there is no guarantee they will be decent jobs in terms of pay and working conditions. Offshore jobs (including transportation) are associated with increased health and safety risks, in direct operations but often even more so among contractors and suppliers, including in the construction sector.

ABOUT THE OCEAN AND HUMAN RIGHTS PLATFORM

Led by the [Institute for Human Rights and Business](#) and the [Rafto Foundation](#), the Ocean and Human Rights Platform is a collaborative movement to raise awareness to prevent and address adverse human rights impacts across the ocean’s industries. The Ocean Platform works with a global network of business, government, human rights defenders, civil society partners, academia and national human rights institutions.

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🗣️ CASE STUDY

Recycling is emerging as an important option for the responsible mining of transition minerals. For example, [Renault](#), in partnership with [Powervault](#), is trialling the reuse of EV batteries that would be used in home storage systems.

Workers and communities in supply chains

Building offshore wind farms requires significant amounts of conventional materials, including steel, but also copper, lithium, cobalt, [neodymium and dysprosium](#) and other [rare earth elements](#) whose sourcing and processing are linked to significant human rights risks. These include harms to the health of workers and local communities as well as risks of forced and child labour among others.

Coastal communities, including indigenous peoples

Oceans play a critical role not only in terms of livelihoods, food security, transportation, and recreation, but also [deep attachments](#) of cultural identities, a sense of belonging, and religious connections. Growing reliance on offshore and coastal wind energy can create [visual](#) as well as physical impairments to [cultural practices](#), including for indigenous peoples. Also, offshore wind farms compete for ocean space with myriad users and coastal communities whose livelihoods depend on access to its resources including small-scale and commercial fishing, tourism, and shipping. Concerns about [environmental impacts of offshore and coastal wind farms](#) are also notable in particular with respect to biodiversity, as well as [negative impacts on the ecosystem services](#) on which local communities and indigenous peoples rely.

Wider human rights issues include access to information, civil participation, and spatial justice (enshrined in [Principle 10 of the Rio Declaration](#)). The offshore wind energy industry is typically developed through marine spatial planning and permitting processes (see below), the quality of which plays a critical role in determining the extent to which these rights are respected.

Which industries should pay attention?

The offshore wind sector comprises a range of companies supplying offshore wind energy. However, companies involved in the design, planning, finance and construction of offshore and coastal wind farms also have responsibilities for ensuring that human rights are fully respected at all stages of the industry. These include, but are by no means limited to, surveyors, engineers, contractors, and project managers. Businesses instrumental in the operation of offshore and coastal wind farms, such as transportation, maintenance, and power infrastructure should also carry out ongoing human rights due diligence, as should suppliers of raw materials, including those providing minerals and commodities used to build and operate wind turbines.

The offshore wind energy sector should also interact, and integrate their actions with, other industry sectors using ocean space such as [fishing](#), aquaculture, tourism, and shipping.

What should businesses do?

While much of the focus to date in the offshore wind energy sector has been on social licenses to operate, responsible business conduct dictates that all companies must take a broader and deeper approach that considers human rights impacts across the [whole life cycle of the wind farm](#), from the sourcing of materials that go into wind turbines all the way through to responsible dismantling and disposal. Renewable energy companies and investors must ensure [respect for human rights throughout their operations](#) consistent with the United Nations Guiding Principles on Business and Human Rights.

» CASE STUDY

There are various ways in which development of offshore wind farms can coexist with local communities, and even make them key participants in energy transitions. For example, the [Middelgrunden Wind Turbine Cooperative](#) in Copenhagen is a successful model in which the local community owns, manages, and therefore benefits from this innovation.

Offshore wind farms compete for ocean space with myriad users and coastal communities whose livelihoods depend on access to its resources.



» CASE STUDY

Copper is an important mineral for building offshore wind farms. Glencore's Mopani underground copper mine in Kankoyo, Zambia [is causing significant health impacts](#) on the local community due to the air pollution and environmental contamination caused by the mine.

Businesses in the offshore wind energy sector should:

- **Participate in Marine Spatial Planning (MSP) and encourage governments to adopt MSP approaches.** MSP attempts to rationalise the allocation of marine space between various ecological, social, and economic interests, striking a [balance](#) between conservation and development. It is crucial for communities, including indigenous peoples and small-scale users, to have a voice in the process, and that the MSP considers and mitigates the cumulative impacts on communities from multiple uses – tourism, urban development, port infrastructure, offshore energy, transport, etc. The offshore wind energy sector can also facilitate [co-existence](#) with other sectors, from planning corridors to enable the transit of fishing vessels, to developing ‘hybrid projects’ – such as combining offshore wind energy and [hydrogen production](#), desalination or battery storage.
- **Engage with stakeholders early and maintain engagement throughout the entire lifetime of the farm.** The range of relevant stakeholders for offshore wind is different to that for onshore wind. As noted above, companies must ensure all affected stakeholders have access to information and participation. It is long-established good practice that active stakeholder dialogue and consultation is important to the legitimacy of the process, drawing on local and expert knowledge and addressing concerns and reducing the potential for [adverse impacts](#).
- **Ensure that impact assessments include human rights.** Environmental assessments should be accompanied by human rights impact assessments (HRIA), which provide a structured approach and are increasingly being used in the marine sector.¹ The scope of such assessments should include offshore and onshore components (export cable landfall, transmission cables, onshore, substation locations, and other infrastructure such as port development, etc.).
- **Acquire or lease land responsibly for coastal onshore installations.** This is necessary in particular when operating in countries that do not have well-functioning land registries and markets, and where indigenous peoples and local communities are reliant on access to land and resources but where customary land rights are not recognised in national law.
- **Ensure that local communities benefit from offshore renewables projects.** Benefits include job creation, local sourcing, [community benefit agreements](#), and [community ownership opportunities](#). Also, access to community energy schemes² has the potential to [reduce energy poverty](#), and annual leasing for coastal facilities can be structured to provide yearly income, rather than outright land acquisitions. It is important that these arrangements are in addition to actions to address adverse impacts rather than a substitute.
- **Ensure respect for worker rights.** Labour rights and occupational health and safety for the whole work force must be protected, including contractors and sub-contractors. This is particularly important at the construction stage, as the construction sector globally is often characterised by temporary, contracted workers (rather than employed workers), who are often faced with low wages and few protections or benefits. Ensuring [adequate housing](#) for temporary and permanent workers, including during the operation and maintenance stages, is also of vital importance.

FINANCE

The scaling up of offshore wind energy needed to meet climate change targets will require substantial amounts of investment. The European Commission, in its [November 2020 Strategy on Offshore Renewables](#), estimated that the need by 2050 is €800 billion in Europe alone, and Asia’s offshore wind market is also expected to grow rapidly over the next decade. Financial resources are likely to come from private capital (including blue bonds), public funding, Development Finance Institutions (DFIs), and Export Credit Agencies.³

These actors can and must play a critical role in ensuring offshore wind energy companies implement their human rights responsibilities:

- **Sustainable Finance Regulations:** the EU Taxonomy Regulation (in particular [Article 18](#)) which intends to drive finance to sustainable investments, including offshore wind energy, requires that projects show a positive contribution to climate change mitigation while also respecting human rights.
- **Investors:** by paying attention to human rights considerations in financing renewable energy.
- **Equator Principle Banks:** the revised [Equator Principles](#) incorporate new human rights requirements for lending.
- **DFIs:** should incorporate human rights criteria into their lending requirements and due diligence processes.

See separate [Ocean Finance briefing](#)

¹ E.g. DIHR, *The Salmon industry and human rights in Chile: Sector-Wide Impact Assessment*

² See for example IRENA *Coalition for Action – Community Energy Working Group*; and see IHRB’s *Community Ownership of Renewable Energy: How it Works in Nine Countries*

³ E.g. <https://reglobal.co/financing-offshore-wind-in-apac/>

- **Adopt responsible sourcing policies and practices throughout the supply chain.** This should cover sourcing of materials and services in construction and logistics, including for example the shipping of wind turbines parts or equipment. Responsible sourcing policies and practices should be guided by international standards on sourcing of conflict minerals, where applicable, including OECD Guidances (see box: *Resources: Standards*).
- **Consider decommissioning and disposal impacts from the beginning.** A circular economy approach reduces the risk of adverse impacts on the environment, communities and workers throughout the lifecycle of materials, and at the end of their life. Disposal of offshore wind energy waste is becoming the subject of discussions among communities [considering hosting new wind projects](#). Other considerations include the social and economic impacts of decommissioning, such as loss of tax or lease revenue for local communities and loss of community benefits.

CASE STUDY

The Vineyard Wind project off the coast of Massachusetts in the United States [has been challenged by local fishermen](#) due to potential impacts on the natural ecosystem, and repercussions on local livelihoods.

RESOURCES: Some useful existing work/initiatives

Multi-stakeholder initiatives

- [Netherlands International Responsible Business Conduct Agreement in the Renewable Energy Sector](#) (govt, industry, CSOs; currently in dialogue phase; has offshore wind workstream)
- [Ocean Renewable Energy Action Coalition](#) (part of Global Wind Energy Council (GWEC), industry-led)
- [Global Alliance for Sustainable Energy](#) (industry-led)
- [IRENA Coalition for Action – Community Energy Working Group](#) (industry, CSOs, academia)
- [UN Global Compact Action Platform For Sustainable Ocean Business – Ocean Renewable Energy](#)

CSOs

- [Right Energy Partnership](#) (supporting indigenous-led solutions)
- [International Work Group for Indigenous Affairs \(IWGIA\)](#), focus areas on climate change, land defence, territorial and global governance)
- [Business & Human Rights Resource Centre](#)

Other

- [Renewable Energy & Human Rights Benchmark](#) (corporate human rights records)
- [IFC ESMAP Programme on Offshore Wind](#) (Joint initiative whose objective is to accelerate the uptake of offshore wind in emerging markets)

RESOURCES: International standards & guidance

Human Rights

- [UN Guiding Principles on Business and Human Rights](#) (2011)
- [OECD Guidelines for Multinational Enterprises](#) (2011)
- [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#) (2016)

Oceans

- [MSPglobal: international guide on marine/maritime spatial planning](#) (EU-UNESCO, 2021)
- [Guidelines for Mitigating biodiversity impacts associated with solar and wind energy development](#) (IUCN, 2021)
- [Industry guidance for early screening of biodiversity risk of offshore wind](#) (IUCN, 2021)