

BYD in Tibet: the costs of lithium extraction

Free Tibet is a London-based international campaign organisation. Our vision is a free Tibet in which Tibetans are able to determine their own future and the human rights of all are respected.

Introduction

In the rush to join the lucrative market for lithium batteries, several Chinese companies have moved into occupied Tibet. The move is backed by the Chinese government but has met opposition from Tibetans, who are bearing the heavy social and environmental costs of extraction on their land.

The expanding lithium industry in Tibet represents a significant threat of increased environmental damage, human rights abuse and economic exclusion. Ethically, Tibetan lithium is a high risk resource. BYD, a supplier of buses to Transport for London, is deeply involved in the extraction of lithium from Tibet.

About Tibet

China invaded and occupied Tibet in 1950. The occupation is sustained by an intensive and intrusive security and surveillance presence and a legal system which punishes any indication of dissent by Tibetans. Independent international media, human rights NGOs, diplomats and institutions of the United Nations are given no free access to Tibet and the rare, officially sanctioned visits are tightly-controlled. Tibetans are forbidden from leaving the country and face lengthy jail sentences simply for communicating with the outside world. As a result, obtaining comprehensive, accurate information about specific human rights abuses and environmental damage is extremely challenging. Available information, however, indicates a grim picture.

A 2016 report by the US human rights and democracy organisation Freedom House found Tibet to have less political freedom than any country in the world apart from Syria¹. The most recent US State Department Human Rights report highlighted the “severe repression of Tibet’s unique religious, cultural, and linguistic heritage”, describing reports of arbitrary detention of protesters, excessive – sometimes lethal – use of force by police and security forces and torture in prisons². According to the United Nations Committee Against Torture, torture is “still deeply entrenched”³ in the [Chinese] criminal justice system” and deaths in custody in Tibet are common. Independent Tibetan civil society organisations (such as environmental groups) are forbidden and Tibetan complaints about Chinese policies are criminalised. In May 2016,

¹ ‘Freedom in the World 2016’, Freedom House, January 2016 https://freedomhouse.org/sites/default/files/FH_FITW_Report_2016.pdf

² US Department of State, 2016, ‘Country Reports on human rights practices for 2015’ http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm?dynamic_load_id=252757&year=2015#wrapper

³ ‘Concluding observations on the fifth periodic report of China, United Nations Committee Against Torture, 3 February 2016’(CAT/C/CHN/CO/5), paras. 20, 40 <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G16/017/44/PDF/G1601744.pdf?OpenElement>

global human rights organisation Human Rights Watch published a comprehensive report on Tibet, noting that “Tibetan areas are the forefront of the Chinese government’s country-wide crackdown on peaceful dissent...The authorities are treating all Tibetans as potential dissidents.”⁴

China’s policy towards Tibet also includes control over its economy, land and resources. Mass migration to Tibet of Han Chinese people and its imposition of Mandarin as the language of higher education, government and business have caused Tibetans to be marginalised within their own country. Land has been cleared for resource extraction after 2.3 million Tibetans were resettled from their traditional grasslands between 2006 and 2014. This mass relocation was achieved without consultation or informed consent from those being moved and in spite of existing evidence that the resettlement led to impoverishment and social problems⁵.

Tibetans continue to oppose the occupation of Tibet, the accompanying human rights abuses and the increased exploitation and devastation of Tibet’s environment. In addition to political protests, they carry out demonstrations and acts of non-violent resistance such as blocking the paths of construction vehicles or setting up camps on land that is due to be turned into the sites of mining operations. Since 2011 a new form of protest has emerged, in which Tibetans have expressed their opposition to China’s repressive policies by setting themselves on fire. More than 140 Tibetans have carried out these self-immolation protests⁶.



Tibetans gathering to protest a mine in Yushu County, Tibet in 2013; soldiers being deployed at the site

Tibet’s resources and their extraction

Along with the bulk of China’s lithium, Tibet also holds large reserves of gold, copper, molybdenum and zinc, while other strategic resources such as coal and the water supply for much of South East Asia can be found within its historical borders. Tibet now has over 90 mining sites spread around the country⁷.

The extraction of these resources is taking place without the consent of Tibetans and for the

4 Human Rights Watch, ‘Relentless: Detention and Prosecution of Tibetans under China’s ‘Stability Maintenance’ Campaign’, May 2016 <https://www.hrw.org/news/2016/05/22/china-repression-expands-under-stability-maintenance-tibetan-areas>

5 ‘China Completes Controversial Nomad Relocation in Tibet’, Voice of America, 24 January 2014 <http://www.voanews.com/content/china-completes-controversial-nomad-relocation-in-tibet/1837288.html>; Zhou Huakun et al., “Difficulties of the Ecological Migrants of the Three River Area and Sustainable Development Strategy”, China Population, Resource et Environment, Vol. 20 Issue 3 (2010), cited in “‘They Say We Should Be Grateful’: Mass Relhousing and Relocation Programs in Tibetan Areas of China”, Human Rights Watch, 2013, pp.100-101: https://www.hrw.org/sites/default/files/reports/tibet0613webw-cover_0.pdf

6 Free Tibet, full list of self-immolation protests <http://freetibet.org/about/self-immolation-protests>

7 Stephanie Law, ‘Mining and the new colonization of Tibet’, Phayul 5 January 2011 <http://www.phayul.com/news/article.aspx?id=28869>

benefit of the Chinese government and Chinese companies, who have no vested interest in the preservation of Tibet's natural environment. Since 2012 at least thirteen significant protests have taken place against environmental damage or exploitation. These protests have often in turn triggered significant local repression and human rights abuse⁸.

The United Nations Global Compact's guidance on responsible business in conflict-affected and high-risk areas identifies a number of factors which make a region a particularly challenging commercial environment and could lead to it being classified as 'high-risk'. These include political instability, a government unsupported by a large proportion of the population and a high level of human rights abuse⁹. Tibet meets all these criteria.

In addition, the ownership of Tibet's lithium is a matter of dispute between the indigenous population and the Chinese government. Resource exploitation across Tibet has been facilitated by the removal of Tibetan nomads from their lands and by the suppression of peaceful opposition and protest by violence and punitive legal sanctions. A convincing case has been made that, in the context of Chinese control sustained by human rights abuse¹⁰, Tibetan natural resources fit the definition of conflict resources i.e.:

“natural resources whose systematic exploitation and trade in a context of conflict contribute to, benefit from or result in the commission of serious violations of human rights”¹¹

Poor regulation

The potential for wide-ranging social and environmental upheaval caused by resource extraction means that companies carrying out such work must plan operations in a consultative manner with the local community and be rigorous in their production and waste disposal procedures. As an occupied people, Tibetans have no say about the planning of their environment and instead have to rely on the Chinese authorities and Chinese-based companies to apply the appropriate safety standards. Available evidence shows that, without pressure from the Chinese authorities to regulate their activities, companies have cut corners and the results have been devastating for Tibet:

- In 2003 China Kingho Group began developing the Muli coalfield – a huge expanse of mining projects in the Qinghai-Tibetan plateau. A 2014 investigation by Greenpeace East Asia, found that the Muli coalfield contained open pit mines that overlapped with protected nature reserves, a violation not just of Tibet's land but also of China's own laws. These mines destroyed alpine meadows that were necessary for connecting rainfall and meltwater from glaciers on the mountains with the Yellow River¹².

8 'Environmental protests on the Tibetan plateau', Tibet Watch, 2015, http://www.tibetwatch.org/uploads/2/4/3/4/24348968/environmental_protests_on_the_tibetan_plateau.pdf; 'Tibetans Protest Against Pollution from Mining', Free Tibet, 9 May 2016 www.freetibet.org/news-media/na/tibetans-protest-against-pollution-mining

9 United Nations Global Compact Guidance on Responsible business in conflict-affected and high-risk areas https://www.unglobalcompact.org/docs/issues_doc/Peace_and_Business/Guidance_RB.pdf

10 Gabriel Lafitte, 'China's five-year plan for a Chengdu to Lhasa railway', Rukor.org, 20 April 2016 www.rukor.org/page/2

11 'Definition of Conflict Resources', Global Witness, August 2007 <https://www.globalpolicy.org/home/198-natural-resources/40124-definition-of-conflict-resources.html>

12 'Giant coal mine in violation of laws uncovered at the source of China's mother river', Greenpeace, 4 August 2014 <http://www.greenpeace.org/eastasia/press/releases/climate-energy/2014/red-wall-palace-in-qinghai/>

- Toxic waste has been dumped into the Gyama Shingchu river from a huge gold mine operated by the Chinese-Canadian company China Gold International, resulting in the death of cattle and the pollution of water needed by surrounding villages for their drinking supply and irrigation. In 2013 the poor safety standards at the mining site led to a landslide in which 83 miners were killed. So few Tibetans were employed in the project that 81 of the fatalities were Chinese migrants¹³.
- In 2005 a mining project in Gajika in Dartsedo County, eastern Tibet, was forcibly set up by the Chinese government despite vocal opposition from local villagers. In October 2013 a contaminated water pond belonging to the mine overflowed and mixed with the water in nearby rivers, causing widespread pollution, contaminating the water supply for several villages and killing fish and livestock within a 20-30 kilometre radius¹⁴.
- Throughout 2013 Tibetans in Pondha Township in Derge County, eastern Tibet, opposed a project to build several tunnels. When around 100 Tibetans protested in December 2013, the authorities rounded up and arrested many of the protesters. The walls of several houses have since begun to crack, and some houses have reportedly collapsed. The following year one of the tunnels collapsed, killing a five-year-old boy¹⁵.

Lithium

Lithium is a key element in the production of batteries for a range of consumer goods. Lithium iron phosphate batteries are used in electric vehicles, which have seen a massive global surge in demand in recent years¹⁶. Chinese companies are at the forefront of the boom in the production of electric vehicles and manufacturing by Chinese companies has increased significantly.

The lithium used by Chinese manufacturers comes from imports, principally from South America, and from within the People's Republic of China. The largest domestic reserves are in Tibet and the Chinese government has indicated its plans to further exploit these resources. In March 2016 it announced its 13th Five-Year Plan – the blueprint for China's economic, political and social development until 2021. The plan highlights the economic benefits of renewable energy for China's economy and lithium has been identified by China's regional governments as a key energy source for China to develop¹⁷.

How lithium is extracted and what the risks are

The two principal methods of extracting lithium, brine harvesting from lakes and hard rock mining, both carry environmental and social risks. Both methods require the use of toxins that

13 'Special Topic Paper: Tibet 2008-2009', Congressional-Executive Commission on China, 22 October 2009 <http://www.cecc.gov/sites/chinacommission.house.gov/files/CECC%20Special%20Topic%20Paper%20-%20Tibet%202008%20-%202009%20-%2010.22.09.pdf>, p.55 ; 'Assessment Report of the Recent Landslide Event in the Gyama Valley: It's Possible Cause and Impacts', Department of Information and International Relations, Central Tibetan Administration, 9 April 2013 <http://tibet.net/wp-content/uploads/2013/04/AR-Gyama-9-April.pdf>, p.14; Edward Wong, 'Fatal Landslide Draws Attention to the Toll of Mining on Tibet', New York Times 2 April 2013 <http://www.nytimes.com/2013/04/03/world/asia/deadly-tibetan-landslide-draws-attention-to-mining.html>

14 Environmental Protests on the Tibetan Plateau, Tibet Watch January 2015 http://www.tibetwatch.org/uploads/2/4/3/4/24348968/environmental_protests_on_the_tibetan_plateau.pdf, pp.14-15

15 Environmental Protests on the Tibetan Plateau, Tibet Watch, January 2015 http://www.tibetwatch.org/uploads/2/4/3/4/24348968/environmental_protests_on_the_tibetan_plateau.pdf, p.16

16 'April 2016 – EV registrations', Society of Motor Manufacturers and Traders, 6 May 2016 www.smmmt.co.uk/2016/05/april-2016-ev-registrations; 'April 2015 – EV registrations', Society of Motor Manufacturers and Traders, 7 May 2016 <http://www.smmmt.co.uk/2015/05/april-2015-ev-registrations/>

17 '77% of the projects are green – a first quarter summary of the implementation of upgrade transformation and innovation and fortification in engineering in our province', The People's Government of Qinghai Province, 1 May 2016 (CN) <http://www.qh.gov.cn/zw/gk/system/2016/05/01/010214234.shtml>

can leak into the air and soil, as well as the water used by Tibetan communities¹⁸. Subsequent industrial processing of harvested lithium can lead to air, water and soil pollution. For example, air pollution in the Ganhetan (Tibetan: Rushar) industrial zone in Tibet has caused increased rates of fluorosis, a disease that causes teeth to become brittle. A 2014 scientific report found high concentrations of toxic metals in soil made the area unsuitable for agriculture¹⁹.

In April 2016 the residents of Dartsedo County in eastern Tibet defied a large police presence to protest to the local government after chemicals used by Ganzizhou Rongda Lithium leaked from its nearby mine, for a second time, into the river that served their farmland. The leakage killed large numbers of fish and eyewitnesses even reported the dead bodies of cows floating in the river after they had grazed on land that had been exposed to toxic chemicals²⁰.



Dead fish resulting from lithium poisoning of the water supply in Dartsedo County

About BYD

BYD manufactures electric cars and buses and is the largest manufacturer of lithium ion batteries in the world. According to the company themselves, BYD outsold all other manufacturers of electric vehicles around the world in 2015²¹ and in 2013 it set up a production plant in California in order to expand its supply of electric vehicles to the USA.

BYD has received significant assistance from the Chinese authorities, who in 2010 granted BYD a 20-year lease, giving BYD exclusive rights to the lithium salts in Tibet's Lake Zabuye (known to Tibetans as Drangyer Tsaka)²². Lake Zabuye, a massive salt lake in eastern Tibet, is the principal source of lithium within the People's Republic of China. In 2010 BYD also bought an 18 percent stake

18 'Lithium', Friends of the Earth Europe, February 2013 https://www.foeeurope.org/sites/default/files/publications/13_factsheet-lithium-gb.pdf

19 Gabriel Lafitte, 'Tibetan lithium in your pocket', Rukor.org, 6 November 2015 <http://rukor.org/tibetan-lithium-in-your-pocket/>

20 'Tibetans Protest Against Pollution from Mining', Free Tibet, 9 May 2016 www.freetibet.org/news-media/na/tibetans-protest-against-pollution-mining

21 'Who Sold The Most Plug-In Electric Cars In 2015? (It's Not Tesla Or Nissan) ', BYD, 22 January 2016, www.byd.com/news/news-326.html

22 Gabriel Lafitte, 'Tibet's resource curse', China Dialogue 19 December 2011 <https://www.chinadialogue.net/article/show/single/en/4696>

in Tibet Shigatse Zabuye Hi-Tech Lithium Co. Ltd, which itself extracts lithium from the area. This purchase made BYD the first electric vehicle manufacturer in the world to own its source of lithium²³. The granting of the lease over Lake Zabuye, the establishment of Tibet Shigatse Zabuye Hi-Tech Lithium Co. Ltd. and BYD's acquisition of its stake in this company were all conducted and facilitated by a government which has no legitimacy for Tibetans and whose right to manage the exploitation of Tibetan resources is disputed. Despite this, BYD does not publish English-language information or evidence of independent auditing regarding its environmental protection policies, its policy on land rights or its labour standards in Tibet²⁴.

Conclusion and recommendations

BYD operates in a 'high risk' environment for environmental damage and human rights. It is, therefore, of particular importance that it demonstrates compliance with international standards in these areas. Businesses using its products must ensure that it is compliant. The use of BYD buses or batteries must be subject to a proper corporate responsibility risk assessment, including:

- **verifiable assurances that the activities of BYD in Tibet, including the acquisition of its lithium supply and its ongoing lithium extraction, have not contributed to or benefitted from human rights abuse, including relocation of the population, and environmental damage;**
- **verifiable assurances that labour practices in its Tibetan operations are consistent with international practices, including taking active measures to prevent discrimination in employment and staff development that disadvantages Tibetans;**
- **verifiable assurances that BYD's activities in Tibet have been carried out in full consultation with the local Tibetan population and with their consent and provide direct benefit to them.**



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²³ 'China's BYD buys 18 pct stake in lithium miner', Reuters 16 September 2010 www.reuters.com/article/byd-zhabuye-idUSTOE68G00420100917

²⁴ BYD's corporate responsibility web page, <http://www.byd.com/aboutus/responsibility.html>, accessed 25 May 2016