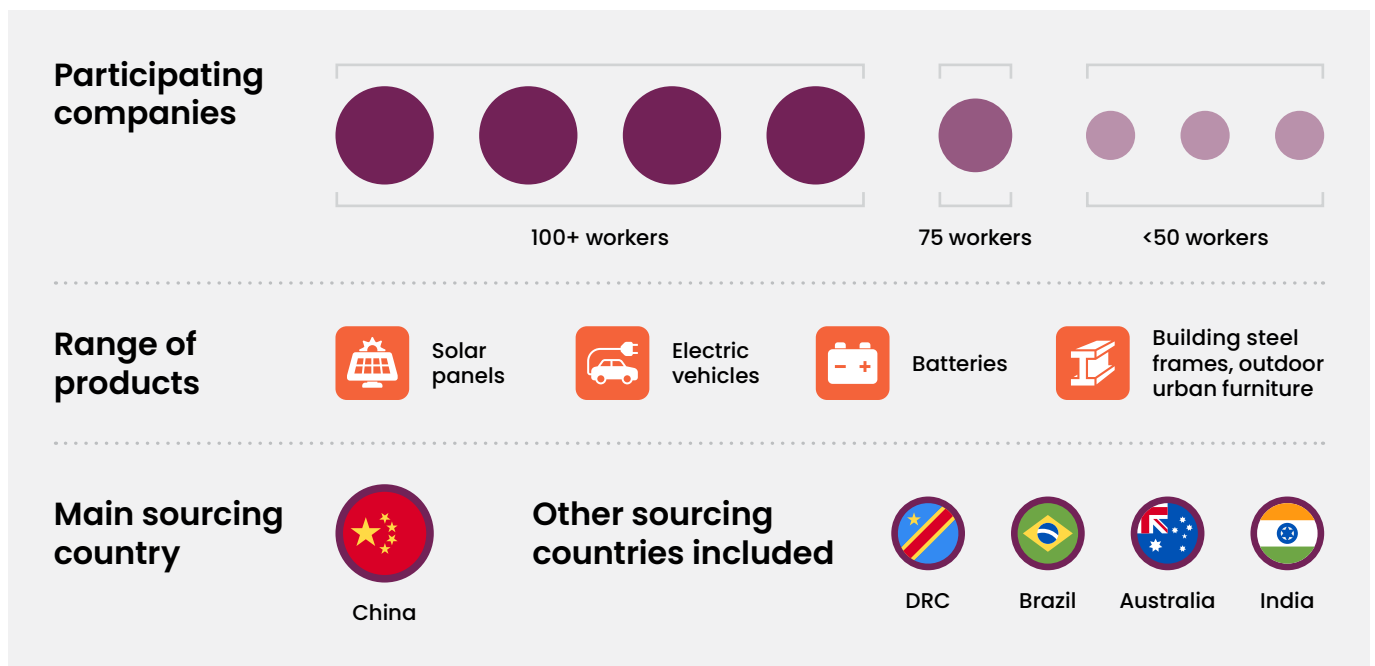


# Mining of metals & minerals: A rapid assessment

## Summary

Human rights and environmental risks are widespread in mined metals and minerals. Yet, despite civil society, regulatory and market pressures, many companies still lack visibility beyond tier one suppliers and struggle to implement meaningful human rights due diligence (HRDD). By conducting a rapid assessment of HRDD among downstream companies, this research aimed to highlight challenges and opportunities, drive action towards a just transition, and improve industry-wide due diligence.



## Context

Three key factors shape the context within which downstream companies operate:

- ▶ **Heightened human rights risks:** Human rights and workers' rights violations in this sector have been well documented by civil society and human rights defenders. From land grabs and environmental degradation to forced, child and indentured labour, unsafe working conditions, exploitation and denial of freedom of association. With mounting civil society, regulatory and market pressure, downstream companies (those involved in processing and manufacturing) are increasingly expected to address these risks through HRDD.
- ▶ **Regulatory pressure:** New regulations, such as the EU [Corporate Sustainability Due Diligence Directive](#) (CSDDD), [EU Batteries Regulation](#) and the Norwegian Transparency Act, are pushing companies to adopt stronger environmental and HRDD practices in line with their responsibilities under the [UN Guiding Principles on Business and Human Rights](#) and [OECD Guidelines](#).
- ▶ **Just transition:** This concept emphasises the need for an equitable shift to a greener economy, ensuring that workers and communities affected by increased mining are not left behind. Companies are encouraged to integrate just transition principles into their HRDD strategies, focusing on fair labour practices, community development, and environmental restoration.

# Challenges

- ▶ **Limited visibility:** Without visibility beyond tier one suppliers, downstream companies find it difficult to monitor and address human rights risks in upstream mining operations.
- ▶ **Supply chain complexity:** The global and multi-tiered nature of supply chains makes it challenging to trace the origin of raw materials and ensure compliance with human rights standards.
- ▶ **Limited leverage:** Weak oversight and regulatory frameworks in mining regions mean downstream companies have minimal influence over upstream suppliers.
- ▶ **Regulatory inconsistencies:** Varying labour and environmental standards across countries complicate efforts to implement consistent HRDD practices.
- ▶ **Commercial pressures:** Faced with pressure to reduce costs, companies may source from cheaper suppliers who may not comply with human rights standards.

# Opportunities

- ▶ **Building knowledge & understanding:** Start supply chain mapping with existing information, prioritise high risk minerals and regions and invest in tools and partnerships that offer supply chain data to identify and mitigate risks.
- ▶ **Industry collaboration:** Work together through pre-competitive collaborations to establish industry-wide HRDD standards and share good practice.
- ▶ **Meaningful stakeholder engagement:** Engage with local communities, trade unions, and NGOs to help better understand and address human rights risks in high-risk regions and ensure solutions are culturally appropriate and sustainable.
- ▶ **Commitment & training:** Enhance internal capacity, resource and leadership on HRDD, including training and tools for supplier assessments. Cross-functional engagement within companies is crucial for effective implementation.
- ▶ **Supplier engagement:** Rather than disengaging from suppliers with human rights issues, focus on remedy and invest in long-term collaboration to drive continuous improvement.
- ▶ **Multistakeholder initiatives (MSIs):** Engage in MSIs that promote responsible mining practices, ensuring inclusivity, equity, and accountability in decision-making processes.

# Recommendations

- ▶ **Corporate responsibility:** Downstream companies must take responsibility for human rights risks in their supply chains, even if they are not directly involved in mining operations. Challenges of limited visibility, regulatory inconsistencies, and commercial pressures should not deter companies from advancing their HRDD practices.
- ▶ **Continuous improvement:** Companies should adopt a proactive approach to HRDD, focusing on continuous improvement, collaboration, and engagement with suppliers and stakeholders. Small, tangible steps, such as better supplier assessments and risk mapping can lay the groundwork for addressing greater challenges in the future.



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