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Human Rights Due Diligence Gaps in Critical Mineral Supply Chains for the Green Energy Transition

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Introduction

India's project of transitioning towards green energy is a mineral intensive project, with most green energy technology such as solar panels and wind turbines being dependant on important minerals, such as cobalt, nickel, lithium, processed silicon and rare earth elements. However, despite the significant part the mineral supply chain plays in this process, the same is exposed to a high-risk possibility of human rights issues. These range from child labour, to unsafe working conditions, land dispossession, weak consent processes for indigenous and local communities. This is primarily due to the lack of a mandatory, comprehensive human rights due diligence legislation to prevent, mitigate and remedy these particular industry related harms.[1]

Indias current policy is a mix on the basis of ESG based mining rules launched by the National Critical Mineral Mission. This leaves significant gaps in terms of Human Rights Due Diligence regulations, in the midst of rapid growth and demand for minerals.[2] A phased, risk-based framework, framed in parallel with global standards and domestic requirements and ground realities. This framework must identify and prevent human right harms that occur in the sector.

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[1] OHCHR — Civil society submission on the life cycle of transition minerals, Asia-Pacific: ohchr.org; and companion submission: ohchr.org

[2] Centre for Social and Economic Progress (CSEP), "Critical Mineral Supply Chains: Challenges for India": csep.org

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THE SIGNIFICANCE OF THE MINERAL INDUSTRY

India's decarbonization targets may only be achieved with rapid, coordinated expansion across storage, electric mobility, and renewable resource mobility, which are all dependant on minerals which are being produced in insufficient quantities. Research has flagged heavy import dependence for cobalt, nickel, lithium, and neodymium, and also processed silicon,in India. Domestic exploration is constrained by factors such as limited incentives for private investment, outdated rules for allocation under the Mines and Minerals Act, and minimal capacity for deep seated deposits. The same is also evident in NITI Aayog's critical mineral assessments, in particular regards to graphite, whos' supply is concentrated to a small number of nations who are geopolitically sensitive as well.[3]

The response to the same from the Government, was the National Critical Mineral Mission, which was launched in 2025, in an attempt to encourage exploration, domestic processing and recycling or minerals, and overseas acquisitions, by pairing regulatory reform with sovereign funding.[4] The MMDR Act, in 2023, opened up lithium, titanium, and other minerals to private and foreign participation, by removing them from the restrictive atomic minerals list.[5] This in turn, enabled Indias first competitive auction of critical mineral blocks. Abroad, Khanij Bidesh India Limited, a partnership of NALCO, Hindustan Copper, and the Mineral Exploration and Consultancy company, has been signing exploration agreements in Argentina, Chile, and Australia.[6] These agreements aim to secure access to lithium and cobalt outside India's borders.

One notable aspect of this policy framework is that environmental and social governance is mainly seen to be a supply-security issue. It is seen as a risk to manage so that projects can

[3] Ani, *NITI Aayog holds stakeholder consultation on critical mineral demand, supply chain security amid rising clean energy needs*, (July 9, 2026).
[4] *National Critical Mineral Mission*, Press Information Bureau (Apr. 9, 2025).
[5] Mines and Minerals (Development and Regulation) Act, 1957, No. 67, Acts of Parliament, 1957 (India), *amended by* Mines and Minerals (Development and Regulation) Amendment Act, 2015, No. 10, Acts of Parliament, 2015 (India).
[6] *India Launching National Mission For Critical Minerals*, KNN India, (Dec. 24, 2024).

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progress, instead of an enforceable responsibility to identify and address harm to workers and communities. Human rights due diligence, as recognized internationally, is largely missing from the design.

THE HUMAN COST ON RECORD

The risks are real, as India's mineral-related industries have a well-documented history of harm. Mica mining regions, supplying both the electronics and cosmetics industries, have long been linked to child labor and unsafe working conditions. The fragmented and informal nature of supply chains makes it hard to trace back to the source. In Odisha's Scheduled Areas, bauxite mining has repeatedly led to conflicts between mining companies and local tribal communities over land allocation and environmental permits. There have been reports of intimidation against environmental and human rights defenders who raise concerns.[7] Rajasthan's stone quarries, which are part of larger mineral and construction supply chains, have been noted for bonded labor, child labor, and occupational diseases like silicosis.[8] Enforcement remains weak, and supply chains are too fragmented for effective oversight.

Even the growth of renewable energy, which the mineral rush aims to support, has raised its own harm allegations. Large-scale solar projects have been tied to disputed land allocations, causing displacement and food insecurity for communities whose land has been absorbed into project areas.[9] These cases indicate a consistent pattern rather than isolated incidents, where the right to free, prior, and informed consent for indigenous and local communities is often ignored throughout the mineral and renewable energy supply chain.

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[7] Rina Chandran, *Don't buy mica from child workers, Indian officials tell traders*, Thomson Reuters Foundation (June 12, 2016).
[8] *Report XI - Rajasthan stone quarries — Corporate Accountability Research*, Corporate Accountability Research (Mar. 4, 2016).
[9] Sanju John Thomas 1, *Allotment of Waste and Degraded Land Parcels for PV Based Solar Parks in India: Effects on Power Generation Cost and Influence on Investment Decision-Making*, MDPI https://www.mdpi.com/2071-1050/14/3/1786.

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WHAT DUE DILIGENCE ACTUALLY REQUIRES

Human rights due diligence, as outlined in the UN Guiding Principles on Business and Human Rights[10] and further defined by the OECD's Due Diligence Guidance for minerals[11], is not merely a reporting task. It is an ongoing process that involves developing a supply chain policy, identifying and assessing risks down to the origin mine, and creating a response strategy, commissioning independent third-party audits at critical points such as smelters and refiners, and transparently reporting findings and al actions taken. Crucially, it requires companies to trace supply chains to their source and engage with affected communities meaningfully through accessible grievance mechanisms. These responsibilities go far beyond just publishing a sustainability policy.

WHERE INDIA'S FRAMEWORK FALLS SHORT

India has a kind of ESG framework made up of several overlapping tools: the National Guidelines on Responsible Business Conduct, which includes human rights in its seventh principle; SEBI's Business Responsibility and Sustainability Reporting requirement, now mandatory for India's top 1,000 listed companies, along with a more detailed "BRSR Core" layer for value-chain disclosures; the Ministry of Mines' 2021 Responsible Minerals Sourcing Guidelines; and mining reforms included in the MMDR Amendment Act and the NCMM. While this looks like a comprehensive system on paper, it presents five significant gaps for critical minerals.

First, India's ESG framework focuses on disclosure rather than duties. BRSR and the NGRBC require companies to report on principles, but neither of them creates a legal obligation for risk-

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[10] U.N. Human Rights Council, *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, U.N. Doc. HR/PUB/11/04 (2011).
[11] OECD, OECD DUE DILIGENCE GUIDANCE FOR RESPONSIBLE SUPPLY CHAINS OF MINERALS FROM CONFLICT-AFFECTED AND HIGH-RISK AREAS: THIRD EDITION (OECD Publishing 2016).

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based due diligence, nor do they subject companies to civil liability when harm happens in their supply chains.[12]

Second, the Ministry of Mines' 2021 guidelines, the only ones similar to international due diligence practices, only cover tin, tantalum, tungsten, and gold, the traditional "conflict minerals." Minerals essential for the green transition, such as lithium, cobalt, nickel, graphite, and rare earths, are completely excluded.[13]

Third, enforcement in mining-affected areas is still inconsistent, despite a robust legal foundation. The Fifth Schedule, the Panchayats (Extension to Scheduled Areas) Act[14], and the Forest Rights Act[15] aim to protect tribal and forest-dependent communities, yet ongoing land alienation and repressed dissent in bauxite and other mining regions show that these protections are not consistently applied.

Fourth, visibility in the value chain is lacking where informal economies prevail. Mica and stone quarrying are examples of how fragmented, unregistered supply chains make it very difficult to trace sources, which is essential for credible due diligence.

Fifth, grievance and remedy systems are still underdeveloped. Affected workers and communities often do not have a way to raise complaints or see them investigated or resolved, undermining the third pillar of the UN Guiding Principles alongside prevention and accountability.

[12] *Embracing the BRSR Core Framework*, Schneider Electric (July 31, 2023).
[13] Ministry of Mines, Government of India, *Responsible Minerals Sourcing Guidelines* (Aug. 2021), https://www.ibm.gov.in/writereaddata/files/171445830866308ec435a22IMYB_2021_Volume_III.pdf.
[14] The Provisions of the Panchayats (Extension to Scheduled Areas) Act, 1996, No. 40, Acts of Parliament, 1996 (India).
[15] The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, No. 2 of 2007, Acts of Parliament, 2006 (India).

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The result of all this is a system where companies can report extensively on ESG principles without having any legal obligation to properly identify or address the human rights risks tied to their mineral sourcing.

WHY THIS IS NO LONGER JUST A DOMESTIC ISSUE

These gaps now carry international consequences. The European Union's Conflict Minerals Regulation,[16] its Batteries Regulation extending due diligence requirements to lithium, cobalt, nickel, and graphite,[17] and its Corporate Sustainability Due Diligence Directive[18], which were adopted in 2024 and require large companies to address human rights and environmental impacts across their value chains, along with potential civil liability, all extend beyond EU borders. Indian exporters who will enter European Markets as exporters of battery materials, components, and finished products will have to demonstrate supply chain mapping and third-party audit practices which are currently not required by Indian Laws. Without a corresponding domestic framework, Indian companies' risk being caught between foreign compliance demands and a home regulatory environment that lacks similar requirements. This situation also affects India's ability to seek similar standards from its foreign buyers and investors.

BUILDING AN INDIAN MODEL

India does not need to come up with a new due diligence philosophy, and adapting existing international standards, such as the UN Guiding Principles and OECD Guidance, and altering it to cater to its legal and economic context would be a solution as well. A reasonable path

[16] Council Regulation 2017/821, 2017 O.J. (L 130) 1 (EU).
[17] Liudmila Chambers, *EU Battery Regulation Due Diligence: Requirements & Compliance*, (Nov. 17, 2025), https://www.anthesisgroup.com/insights/eu-batteries-regulation-due-diligence-requirements/.
[18] *Time to get to know your supply chain: EU adopts Corporate Sustainability Due Diligence Directive*, White & Case LLP (July 5, 2024), https://www.whitecase.com/insight-alert/time-get-know-your-supply-chain-eu-adopts-corporate-sustainability-due-diligence.

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would be to begin by establishing a statutory obligation for human rights and environmental due diligence in sectors with high risk, such as mining, mineral processing, battery manufacturing, and large renewable energy developers. This would require supply chain mapping at the grassroot, project level, and explicit risk assessments looking into issues of child labor, forced labor, land and indigenous rights, and defender safety, along with real measures for mitigation, instead of just voluntary commitments.

Instead of creating a separate bureaucracy, these requirements could be integrated into existing reporting systems. It could expand BRSR Core's value-chain indicators to cover critical minerals, extend the Ministry of Mines' sourcing guidelines beyond 3TG, and tie compliance to auction eligibility and lease renewal under the NCMM. Since much of India's mineral wealth is located in or near Scheduled Areas and forest land, any credible framework must also prioritize compliance with PESA[19] and the Forest Rights Act[20], along with documented free, prior, and informed consent, as a basic, primary requirement. Accessible grievance mechanisms, protections for human rights defenders against retaliation, and a phased rollout that starts with large listed companies and PSUs before extending to MSMEs, which, supported by shared industry tools for fragmented sectors like mica, would complete a system that is ambitious yet achievable and necessary.

CONCLUSION

India's claim to green energy leadership will only be credible if backed by solid supply chains. A mineral strategy that boosts extraction and processing without a corresponding commitment to human rights due diligence risks repeating the accountability failures India has criticized elsewhere, both at home and through foreign ventures. Addressing this issue and moving from

[19] The Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996, No. 40, Acts of Parliament, 1996 (India).

[20] The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, No. 2, Acts of Parliament, 2007 (India).

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voluntary ESG disclosure to mandatory, risk-based due diligence rooted in existing constitutional rights for tribal and forest communities is essential for making India's transition not only green but truly just.