Special Rapporteur on Climate Change, <u>Call for Inputs</u> – Human Rights in the Life Cycle of Renewable Energy and Critical Minerals, due April 30, 2025

Over the past decade, governments have increasingly recognized the importance of minerals to a range of industries, from electric batteries and renewable energy to technology and defense applications.

Governments in many countries with mineral deposits have adopted <u>policies</u> to promote new mining and processing, including increasing state financial support for new operations and streamlining permitting and approvals processes. Meanwhile, powerful governments, including <u>China</u>, the <u>European Union</u>, and the <u>United States</u>, are seeking to secure supply of minerals from abroad through bilateral and multilateral trade deals, financial support for mining projects, and, most recently, even efforts to condition military assistance on access to minerals.

Increased demand for minerals, if not adequately regulated and managed, poses risks for communities and workers. The mining industry itself has a track record of human rights abuses and other harms, from the destruction of sacred Indigenous lands to deaths from devastating waste storage dam collapses. Human rights defenders, including land and environmental defenders who speak out against mining, face criminalization, attacks, and violence. In 2023, Global Witness found that mining was the biggest-industry driver of killings of land and environmental defenders.

While some mineral-rich countries have enhanced protection for the environment, vulnerable communities, and Indigenous Peoples, or even introduced moratoriums on metals and minerals mining, many of the world's mineral deposits are found in fragile and conflict-affected countries that have high inequality, endemic corruption, and weak government regulation. In October 2024, a United Nations panel warned that increasing global demand for minerals, "If not managed responsibly, could trigger or exacerbate human rights violations and abuses, conflicts, violence, and harm to affected communities and individuals along the value chain."

The Human Rights and Environmental Impacts of Critical Minerals

Research by Human Rights Watch and Climate Rights International has documented a range of human rights impacts on frontline communities from the extraction and processing of critical minerals.

In **Indonesia**, Climate Rights International has <u>documented</u> how nickel mining and processing is violating the rights of local communities, including Indigenous Peoples, causing significant deforestation, driving pollution, and emitting greenhouse gases from captive coal plants at nickel industrial parks.

In **Guinea**, Human Rights Watch has <u>documented</u> how, since 2015, a boom in the mining of bauxite, the ore needed to make aluminum, has displaced subsistence farmers from their lands, damaged their water sources, and thrust families further into poverty.

In **Zambia**, Human Rights Watch has <u>documented</u> hazardous zinc mining in toxic lead waste in the city of Kabwe, implicating South African, Zambian, and Chinese companies. The toxic lead waste was left after a large industrial zinc and lead mine was closed, causing mass lead poisoning among

residents and making Kabwe one of the most lead-polluted places globally. Exploitation of this toxic waste for zinc has accelerated since 2023.

Mining poses a particular threat to the **land and rights of Indigenous Peoples**. A December 2022 <u>study</u> found that globally more than 54 percent of current or future transition minerals projects are located on or near Indigenous land.

In the **United States**, Human Rights Watch and the American Civil Liberties Union described in a February 2025 report how the government failed to meaningfully consult Indigenous Peoples over a lithium mine on their ancestral lands, in violation of their rights to practice their culture and religion. The land where the mine is located is sacred to Indigenous Peoples due to its connection to an 1865 massacre by the US military.

In **Indonesia**, Climate Rights International has also found that the government's failure to legally recognize Indigenous Peoples and their customary lands has contributed to land conflicts between Indigenous communities and mining companies.

China's <u>dominance</u> in the processing of many of the world's minerals also creates a global risk of supply chain and other business links between minerals and the Chinese government's human rights abuses. Human Rights Watch, in a 2024 <u>report</u>, described links between the aluminum industry in Xinjiang and state-imposed forced labor targeting Uyghurs and other Turkic Muslims. China produces more than half of the world's aluminum.

Lessons Learned to Support a Just Transition and the Protection of Human Rights

As the climate crisis accelerates, threatening the right to a clean, healthy, and sustainable environment, it is imperative that governments ensure a just and equitable transition away from fossil fuels toward cleaner and safer energy sources. With the rising demand for transition minerals, governments must adopt robust energy efficiency policies and take proactive measures to ensure that the environmental and social harms historically associated with fossil fuels are not replicated in the mineral sector. Through our work on the impacts of mining and mineral supply chains, Human Rights Watch and Climate Rights International have identified lessons that can support a just transition and the protection of human rights.

Robust government regulation of mining in mineral producing countries is the first and most important line of protection for communities and workers on the front line of mining operations.

Governments should enact legislation to ensure mining respects international human rights law and rigorous environmental standards. This should include laws requiring governments and companies to promote and respect Indigenous Peoples' rights to self-determination and free, prior, and informed consent (FPIC), in full alignment with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and International Labour Organization Convention 169 (Indigenous and Tribal Peoples Convention).

In the **United States**, national law's failure to incorporate FPIC contributed to the US government's <u>lack of consultation</u> with Indigenous Peoples during the 2020-2021 permitting process for lithium

mining in Nevada. Repeated decisions by US courts upholding the legality of the mine's approval underscore the lack of protections for Indigenous rights in US law.

In **Indonesia**, the weakening of environmental and labor laws, including by passing the 2020 Job Creation Law (commonly known as the Omnibus Law), threatens the rights of Indigenous Peoples, workers, and communities at the frontlines of mineral extraction projects through its approach to simplifying and accelerating infrastructure development and other business activities. Recent amendments to the Indonesian National Armed Forces (TNI) Act, passed in March 2025, will enable active members of the military to hold civilian roles in the government, including in state-owned enterprises, and the justice systems, which poses threats to human rights and accountability for abuses linked to mining and mineral processing.

Governments in producer countries should also ensure that mining companies conduct rigorous environmental and social impact assessments, make information about mining projects and their potential impacts publicly available and accessible to local communities, and propose adequate mitigation for human rights, environmental, and climate harms before gaining permission to begin mining.

In **Guinea**, the government's decision to take <u>shortcuts</u> during mine approvals processes, prioritizing bauxite mining over comprehensive analysis of social and environmental risks, has contributed to mining companies failing to pay communities adequate compensation and lacking adequate systems for tracking mining's impact on the local land and environment.

In **Indonesia**, the government's failure to make air and water quality information from mining and mineral processing operations publicly available is preventing nearby communities from taking appropriate steps to protect themselves from pollution.

Once mining begins, government authorities should regularly inspect mining operations to ensure they are respecting national laws, while also moving to ensure that national laws fully comply with international standards. Failures to comply with environmental, climate, human rights, and social regulations should result in swift regulatory actions, including where appropriate suspending operations and revoking licenses, providing compensation to those affected, and conducting comprehensive remediation where necessary (for example, at the site of the former Kabwe mine in **Zambia**).

Governments should also ensure that mines and mining waste do not contribute to human rights and environmental harms after the closure of a mine, for example by requiring mining companies to rehabilitate mining areas and/or provide funding to mining rehabilitation funds as recommended by the UN Secretary General's Panel on Critical Energy Transition Minerals.

Governments, especially in mineral producing countries, should also ensure that the tax revenue generated by minerals extraction, processing, and transformation promotes contributes to efforts to fulfill economic, cultural and social rights. This should include measures to ensure transparency over revenue generated by minerals extraction, processing, and trading, such as requiring governments and companies to disclose licenses, contracts, partnership agreements, trade and investment agreements, beneficial ownership information, production, sales and processing

volumes, costs, cost auditing information, project-level payments-to-governments, project economics and country-by-country tax reporting.

Investor-state dispute settlement agreements are a key obstacle to strong regulation of mining and other extractive industries in producer countries.

In 2024, UNCTAD reported that about a third of all new investor-state disputes brought by investors against host states in 2023 were in the extractives industry. A vast majority of these disputes are brought against "developing countries" by companies based in "developed countries." Investor claims have been filed seeking billions of dollars in damages following regulatory measures taken by host governments. These include measures to phase out fossil fuels, refusal of environmental permits, adoption of new laws, and Supreme Court rulings holding the executive and the concessionaire accountable to local laws. Investment and trade agreements that give investors the right to utilize investor-states dispute mechanisms present a formidable barrier to states' domestic regulatory space, including with regard to Indigenous Peoples' rights.

In **Panama**, four foreign companies linked to the shuttered Cobre Panama project, one of the world's largest copper mines, have brought a slew of investor-state disputes against the Panamanian government. A first set of ISDS cases, initiated in December 2022, was suspended in early March 2023, after First Quantum minerals, which operates the mine, concluded negotiations for a new concession agreement with the Panamanian government. The 2023 concession agreement, however, was hugely controversial and resulted in massive nationwide protests and a mining moratorium. Panama's Supreme Court invalidated the new Cobre Panama concession law in November 2023, leading to another round of ISDS cases. In total, companies have sought in excess of US\$27.1 billion in damages from Panama over the Cobre Panama mine, an amount equivalent to about 90 percent of Panama's 2025 budget. In March 2025, Panama President José Raúl Mulino announced that he would again begin negotiations with First Quantum, sparking growing concern from local environmental and human rights groups that this could result in the mine being reopened.

To address the challenges imposed by the ISDS system, capital-exporting governments should support capital-importing governments to terminate existing agreements that provide for investor-state dispute settlement (ISDS) and all states should exchange good practices to significantly limit their further exposure to ISDS cases. States should also pursue comprehensive reform of substantive investment law so it does not threaten states' domestic regulatory capacity, including their ability to enforce and enhance human rights and environmental laws, while ensuring disputes can be resolved in a transparent and stable manner.

Corporate due diligence legislation, requiring businesses to respect human rights, environmental, and climate standards in their operations and value chains, is vital to address risks in mineral extraction and processing.

Mandatory human rights due diligence laws that require companies to identify and address human rights risks in their operations and value chains can be effective in pushing investors and downstream users to use their leverage to ensure mining companies respect human rights. Due diligence laws should cover the full range of human rights and environmental risks; apply to

companies' entire value chains; and provide the right for victims and NGOs to hold companies liable for due diligence failures that lead to harm.

Following the passage of **Germany**'s supply chain due diligence law, some German car companies have strengthened their oversight of their aluminum supply chains, working to better map their suppliers, identify key human rights risks, and work individually and collectively to address them.

A German car company visited bauxite mines in **Guinea** in 2023 to meet with communities and mining companies about key human rights risks, and the company subsequently engaged mining companies in Guinea on the need to address mining's impacts on land and water. In addition to Germany, **France** and **Norway** have also already passed their own due diligence laws.

The **European Union**'s Corporate Sustainability Due Diligence Directive (CSDDD), <u>adopted in May 2024</u>, will expand due diligence requirements to large companies based in the EU or operating in the EU market. European member states and the European Parliament should reject ongoing efforts to <u>significantly weaken</u> the law.

The EU has also adopted a battery-specific <u>law</u> that requires companies making or importing batteries to ensure the lithium, nickel, graphite, and cobalt in the batteries are sourced responsibly. Other governments should enact their own due diligence laws, both for corporations more generally and, where appropriate, for minerals specifically.

In addition to mandatory human rights due diligence legislation, some electric vehicle companies have committed to following the <u>UN Guiding Principles on Business and Human Rights</u>, as well as the OECD's Guidelines on Multinational Enterprises, which both make clear that businesses have the responsibility to identify, prevent and mitigate actual and potential adverse impacts on human rights. Climate Rights International and Human Rights Watch have <u>encouraged</u> electric vehicle companies to leverage their buying power to demand higher standards, increase transparency about their supply chains, and conduct regular, transparent, and independent audits of their mineral suppliers, including for nickel mining and processing companies in Indonesia.

Companies can use voluntary standards as a tool to support compliance with government regulations but should prioritize rigorous standards and audit processes developed through true multistakeholder governance systems.

Human Rights Watch <u>research</u> has shown that voluntary mining standards and audit schemes are no substitute for strong government regulation of mining and mineral supply chains. Many voluntary <u>standards</u> were developed and are governed primarily by mining companies and industry groups, and include vague standards and weak audit processes that do not provide rigorous and transparent data on mining companies' practices. Government <u>regulations</u>, including the EU's <u>Critical Raw Materials Act</u> and <u>Batteries Regulation</u>, should not equate an audit under a voluntary standard as guaranteeing a company or mine is sourcing responsibly or operating sustainably.

Despite their limitations, voluntary standards and audits can be a tool to provide guidance to mining companies on best practices and increase transparency over mining companies' practices. Human Rights Watch is a board member of the <u>Initiative for Responsible Mining Assurance (IRMA)</u>. The strength of IRMA is its <u>governance system</u>, which gives community representatives, labor unions, and civil society groups equal power, alongside mining companies and the private sector, to

craft its standards. IRMA needs improvement to safeguard the independence of audits and more effectively push mining companies to remedy harms, but it is currently the <u>most rigorous</u> <u>benchmark</u> available for the mining industry to provide transparency on its conduct and practices.

Some mining companies, however, are looking for a less demanding alternative. The International Council on Mining and Metals, a business association of the world's biggest mining companies, is working with other mining industry groups to develop their own mining standard, called the "Consolidated Mining Standard Initiative."

Human Rights Watch and dozens of other civil society groups have <u>warned</u> the council and its partners that standards developed by the mining industry without meaningful participation from affected communities, workers, and civil society groups will lack transparency, accountability, and rigor. <u>Analysis</u> of the new mining industry standard by Public Citizen, Earthworks, and other groups found that its requirements were too vague to provide detailed guidance on responsible mining.

Greater demand for critical minerals means a greater need to effectively regulate mining and hold companies accountable for human rights, environmental, and climate harm, including through criminal liability for executives responsible for serious violations. Robust and detailed voluntary standards, like IRMA, could help support responsible mining, but only if they meaningfully promote mining companies' respect for human rights and the environment.

Governments should implement the Principles and Recommendations of the UN Secretary-General's Panel on Critical Energy Transition Minerals.

The <u>Principles</u> and Recommendations issued in September 2024 by the UN Secretary-General's panel on Critical Energy Transition Minerals <u>make clear</u> that the pursuit of minerals needed to transition from fossil fuels needs to safeguard human rights, justice, and equity.

The Secretary-General should ensure that a proposed new expert advisory group on transition minerals, which will help implement the Panel's principles, includes equal participation of Indigenous peoples, affected communities, workers, and civil society groups alongside governments and industry groups.

The Secretary-General should also consult with civil society groups on options for an international body to monitor and investigate human rights and environmental abuses in cases where communities find their rights are being violated in the context of mining for energy transition.