



**TDi**

Sustainability

# Human Rights Due Diligence in Mineral Supply Chains

ANSI Critical Minerals Webinar

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# 1. What is Human Rights Due Diligence



# What is Human Rights Due Diligence?

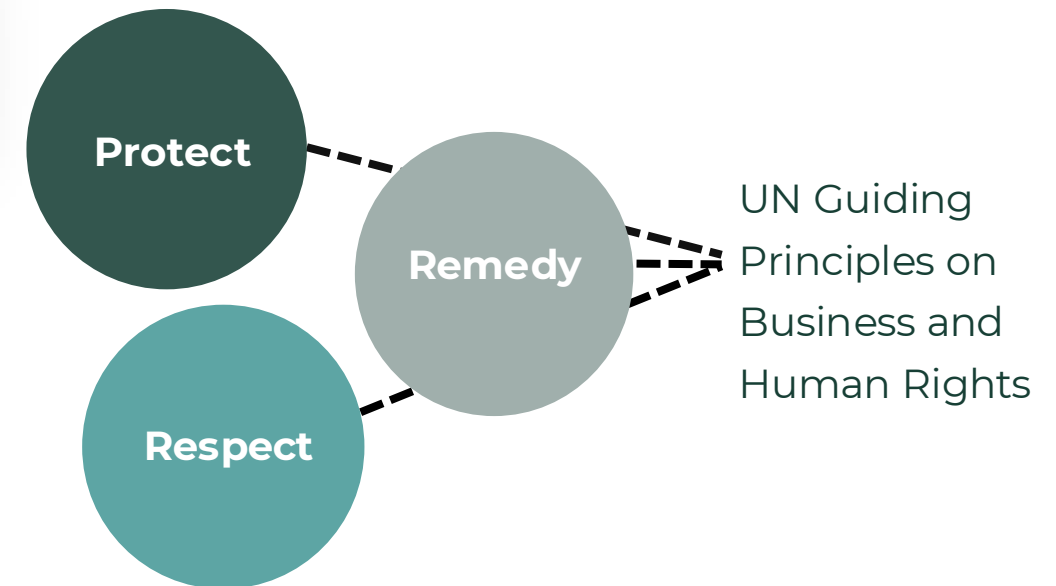
Grounded in the UN Guiding Principles on Business and Human Rights (2011) been operationalized through the OECD Guidelines for Multinational Enterprises and various sector-specific frameworks.

Human rights due diligence (HRDD) is the ongoing process a company undertakes to identify, prevent, mitigate, and account for how its operations, products, services, and business relationships affect human rights.

## Cross-cutting elements:

**Salience:** companies are expected to use a risk-based approach, prioritizing the most severe potential impacts first

**Stakeholder and rights-holder engagement:** meaningful engagement with affected people (workers, communities, Indigenous Peoples) is expected throughout, not as a one-off consultation.



# Steps in the human rights due diligence process

## 1. Embed responsible business conduct into policies and management systems

Adopt a public policy commitment to respect human rights, approved at senior level, and build it into internal governance, incentives, and decision-making processes

## 2. Identify and assess actual and potential adverse impacts

Map operations and the value chain (own operations, suppliers, business partners) to identify where human rights harms could occur or are occurring. Engage with potentially affected stakeholders and rightsholders in the process.

## 3. Cease, prevent, or mitigate adverse impacts

Take action based on the company's relationship to the harm: cease and remediate impacts the company causes directly; prevent or mitigate impacts it contributes to; use leverage to prevent or mitigate impacts it is linked to through a business relationship, even if it didn't cause them.

## 4. Track implementation and effectiveness

Monitor whether the actions taken are actually working — whether outcomes for affected people have improved

## 5. Report on how impacts are addressed

Report externally (and to affected stakeholders) on how the company is identifying and addressing human rights risks, in a way that's accessible and meaningful to those who might be affected.

## 6. Provide for or cooperate in remediation

Where the company has caused or contributed to harm, provide access to remedy — through operational-level grievance mechanisms, judicial or non-judicial means, or cooperation with other remedy processes.



# Human rights due diligence guidance vs. Human rights impact assessment

DIMENSION	HUMAN RIGHTS DUE DILIGENCE (HRDD)	HUMAN RIGHTS IMPACT ASSESSMENT (HRIA)
Nature & Frequency	Ongoing, systemic, continuous, and built-in corporate process. Not a one-off exercise.	Discrete, bounded, episodic, or project-specific study tied to a specific point in time.
Strategic Focus	Process-oriented: Focuses on building permanent institutional capacity to manage risks continuously.	Output-oriented: Delivers a defined, diagnostic baseline report on severity and rightsholder realities.
Assessment Scope	Broad: Evaluates entire business operations, corporate decision-making, and global value chains.	Targeted: Deep dive on a specific location, context, asset, or investment.
Stakeholder Role	Integrated feedback within continuous company grievance channels and tracking systems.	Methodological core: Highly active, qualitative, participatory engagement with affected rightsholders.

## **2. Why Human Rights Due Diligence Matters for Critical Minerals**



# Key drivers for human rights due diligence

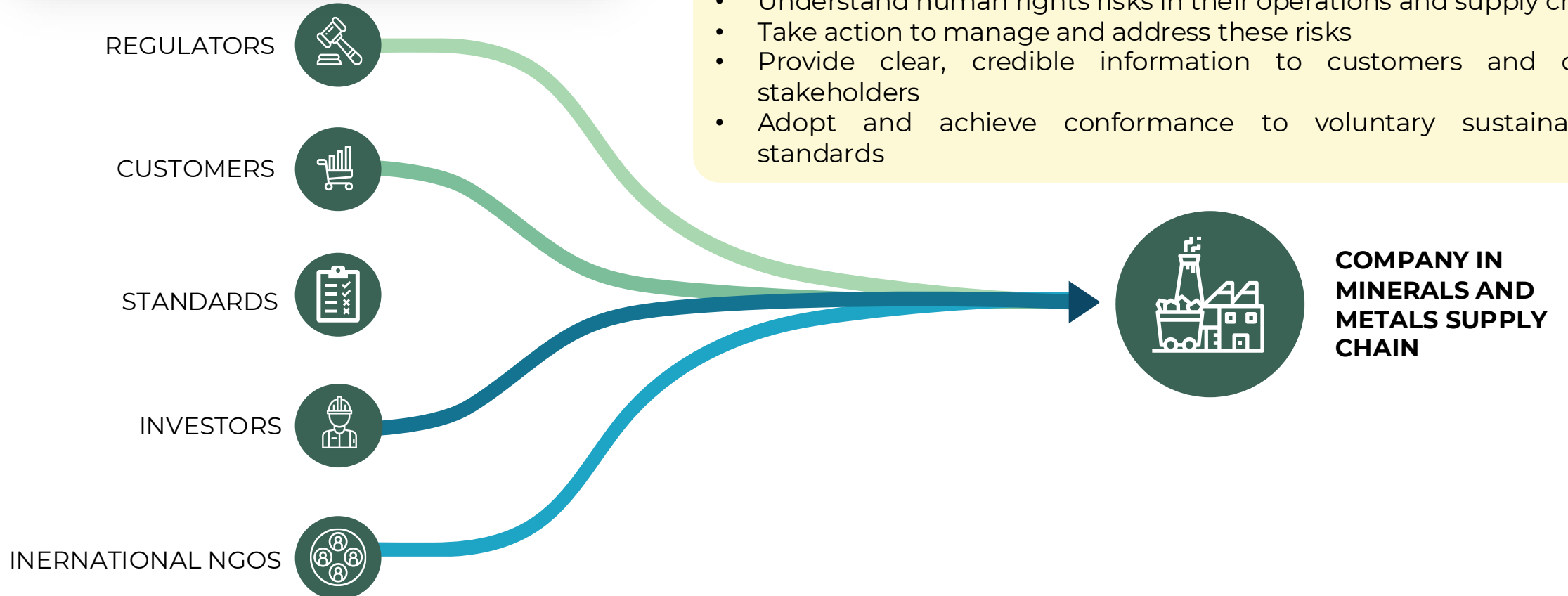
Human rights due diligence requirements are increasing as expectations intensify across a wide range of stakeholders.

**What this means for companies**

Responsible production and sourcing has **become a condition of doing business.**

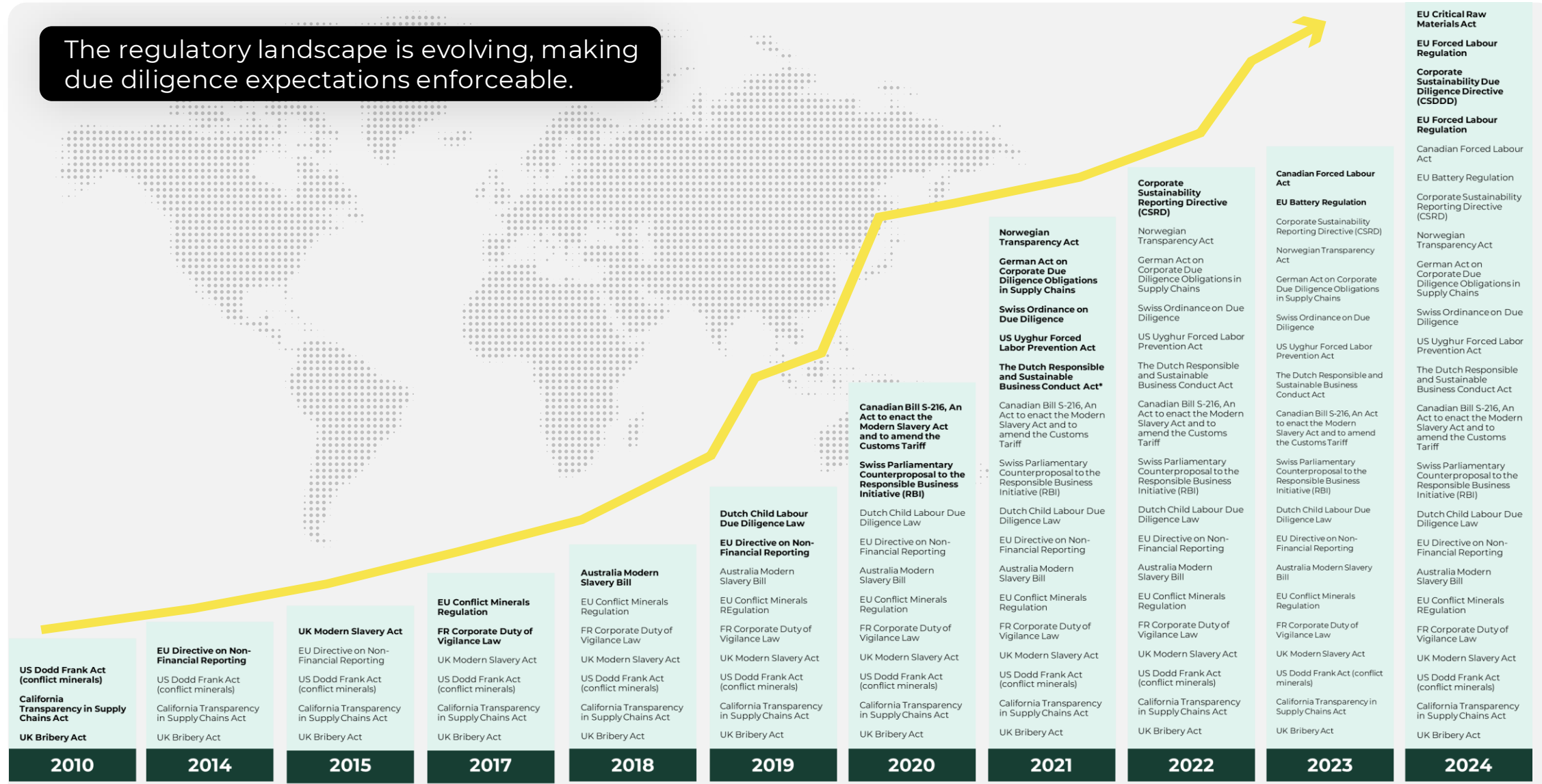
Companies in mineral supply chains are expected to:

- Understand human rights risks in their operations and supply chains
- Take action to manage and address these risks
- Provide clear, credible information to customers and other stakeholders
- Adopt and achieve conformance to voluntary sustainability standards



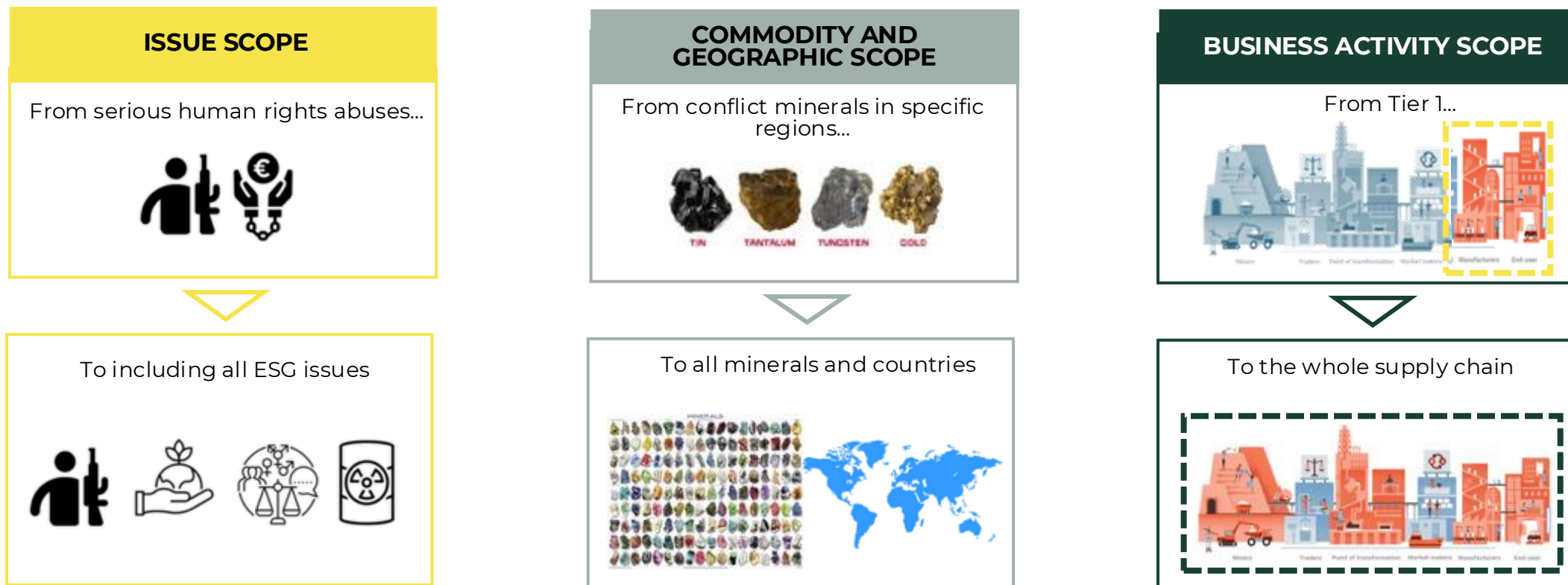
# Rise in due diligence regulations

The regulatory landscape is evolving, making due diligence expectations enforceable.



# Expanding scope of due diligence requirements

Due diligence expectations in mineral supply chains have **broadened significantly**. What began as a focus on specific risks, regions, and direct suppliers has expanded into a more comprehensive approach covering a wider range of issues, geographies, and the full upstream supply chain.



# ESG Risks = Human Rights Risks

## Environmental

- Deforestation and land disturbance
- Degraded/fragmented landscapes / desertification
- Loss of biodiversity and ecosystem services
- Impacts on High Conservation Value and protected areas
- Ground and surface water contamination
- Air quality
- Pollution and hazardous waste
- Chemical use / heap leaching
- Acidification / acid mine drainage
- Tailings breaches
- Land and soil erosion / sedimentation
- Greenhouse gas emissions / Net zero
- Energy consumption
- Physical instability / subsidence
- Noise and vibration
- Closure and reclamation
- Circularity and recycling

## Social

- Community impacts, benefit-sharing and local employment / procurement
- Company/community conflict
- Community health and safety
- Indigenous Peoples' rights and FPIC
- Land acquisition, displacement and resettlement
- Human rights and environmental defenders
- Cultural heritage
- Security and human rights
- Women's rights and gender impacts
- Occupational health and safety
- Forced labour
- Child labour
- Workers' rights
- Grievance mechanism

## Governance

- Corruption and bribery
- Whistleblower mechanism
- Regulatory non-compliance
- Permitting
- Illicit financial flows
- Non-payment of taxes
- Lack of revenue transparency
- Artisanal and small-scale mining (ASM)
- Countries experiencing conflict
- Weak rule of law
- Lack of access to remedy
- Poor environmental governance
- Mineral supply chain due diligence and transparency
- Gender diversity in governance bodies

# Why due diligence matters

Companies may be exposed to human rights risks even if they do not directly cause adverse impacts. Due diligence allows companies to anticipate and prevent or mitigate these risks across their operations and supply chain.

Human Rights risks arise in two key ways:

## 1. Inherent risk in business activities

Some operations, particularly mineral extraction and processing, are inherently associated with human rights risks.

## 2. Risk linked to context and relationships

Risks may arise from where companies operate and the conditions in which they operate, including:

- Weak governance or enforcement of regulations
- The practices of suppliers and business partners

Even where legal obligations do not yet apply, human rights due diligence is becoming a **standard expectation in mineral supply chains.**

Early implementation helps companies **stay prepared, reduce future costs, manage risks more effectively, and build business resilience.**

# 3. Human Rights Due Diligence Frameworks



# Due diligence instruments

Due diligence expectations are shaped by a set of internationally recognised standards and guidance developed over time. Together, these instruments establish a consistent approach to identify, assess, and manage ESG risks across global supply chains.



The **UN Guiding Principles on Business and Human Rights (UNGPs)** establish the global standard for human rights due diligence, defining 31 principles for how companies should manage adverse human rights impacts through the “protect, respect, remedy” framework.

The **OECD Guidelines for Multinational Enterprises (OECD MNE)** provide government-backed, non-binding recommendations on responsible business conduct across ESG issues, integrating the UNGP due diligence expectations into its 2011 update.

The **OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD CAHRA)** introduces a sector-specific framework for identifying and managing supply chain risks in conflict-affected and high-risk areas.

The **OECD Due Diligence Guidance for Responsible Business Conduct (OECD RBC)** provides a cross-sector framework for implementing the OECD MNE’s due diligence recommendations, drawing from sector-specific guidance, including the OECD CAHRA

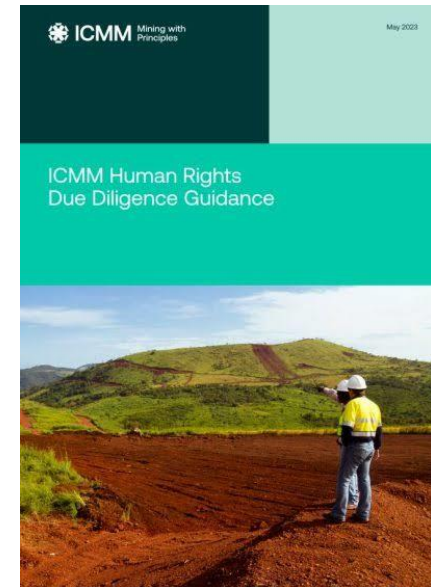
# Key regulatory frameworks

Emerging due diligence and responsible sourcing regulations for mineral supply chains are informed by the UNGPs and OECD due diligence guidance, which serve as reference frameworks for implementation:

- EU Conflict Minerals Regulation
- EU Battery Regulation
- EU Corporate Sustainability Due Diligence Directive
- German Supply Chain Due Diligence Act
- French Duty of Vigilance Law
- Norwegian Transparency Act
- EU Forced Labour Regulation
- EU Deforestation Regulation
- UK Modern Slavery Act
- Australian Modern Slavery Act
- California Transparency in Supply Chains Act
- Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act

# Human rights due diligence guidance

- [ICMM Human Rights Due Diligence Guidance](#)
- [Danish Institute Human Rights Impact Assessment Guidance and Toolbox](#)
- [Do the Diligence with Tu Rinsche](#)
- [Shift Human Rights Due Diligence in High Risk Circumstance](#)

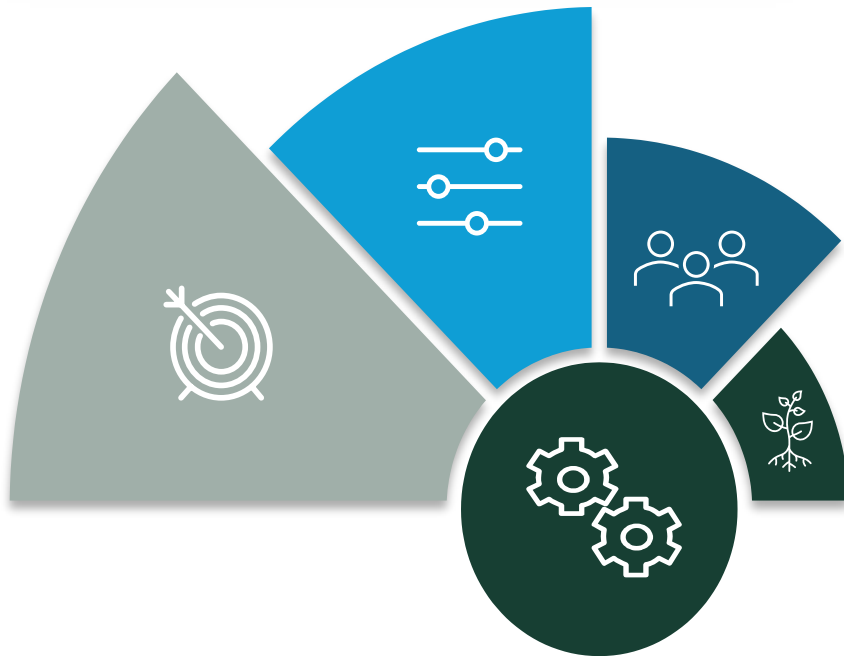


# 4. Integrating Human Rights Diligence into Standards



# How do standards support human rights due diligence?

Most voluntary sustainability standards align with the UNGPs. This establishes requirements for companies / sites to conduct human rights due diligence.



## 1. FROM FRAGMENTED TO REPEATABLE PROCESSES

A single consistent human rights due diligence system can serve multiple customers, reducing duplicated effort across data requests, questionnaires, and audits.



## 3. GRIEVANCE PROCESS AND REMEDY

VSS requirements around UNGP-aligned grievance mechanisms and remedy processes support the human rights due diligence process.



## 2. CAPACITY BUILDING

By including human rights due diligence in VSS requirements, companies are becoming more familiar with the concept and understanding the UNGPs.



## 4. ACCOUNTABILITY

VSS have operationalized principles into auditable, verifiable criteria enforced through third-party assurance systems and disclosure of results.

# Opportunities for strengthening human rights due diligence in voluntary standards

## Build in downstream linkage, not just upstream sourcing

Build explicit downstream traceability transparency into requirements (data attributes that flow cleanly into battery passport or product-level disclosure systems, as the GBA Battery Passport work is attempting) to provide the infrastructure for regulatory compliance in addition to certification.

1

## Strengthen remedy, not just grievance intake

Focus on actual remediation outcomes, tracked over time, with rightsholder satisfaction as a metric, not just complaint volume or resolution rate. Share information and capacity building around what effective remedy looks like. Consider the role of the standard-setting organisations themselves in the remedy process e.g. through collective funding mechanisms.

2

## Extend rightsholder participation beyond consultation into assurance and governance

Formalize ongoing rightsholder oversight roles in governance structures, assurance and complaint adjudication, not just initial standard-drafting. Consider building capacity of rights holders to conduct assessments or participate in assessment teams through fee waivers/scholarships to complete assessor training.

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# Q&A



# Contact information



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