Business and Human Rights Centre

Shifting ground

Human rights, Chinese investment and the rush for transition minerals

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Executive summary

As the shift to clean energy accelerates, global demand for transition minerals also continues to surge, intensifying competition among corporations from major economies – including the United States and European Union – racing to secure critical mineral supplies from resource-rich countries. Meanwhile, China dominates global supply chains for these minerals: while many are extracted abroad, China controls their processing and refining and holds an even stronger position in downstream renewable energy technology manufacturing.

Given the critical role of Chinese overseas investment in transition minerals and the drive for renewables, these companies and investors have a key opportunity to ensure the global energy shift does not come at the expense of communities, workers, Indigenous Peoples and the environment. However, in the increasingly fast-paced race for these minerals, serious allegations of human rights and environmental abuse are also on the rise. Urgent action by Chinese actors is required to ensure the global energy transition is not only fast, but also fair to the communities and workers directly affected by the vast mining operations that power it.

326 allegations[1]
of abuse linked to Chinese companies' overseas investments in transition minerals (2023–2025).

Indonesia
recorded the highest number of allegations of abuses, with 96 reports in total, 73 of which are in the processing, smelting and refining stage.

27% response rate
out of 150 approaches to companies seeking responses regarding allegations of abuse; 40 responses were received.

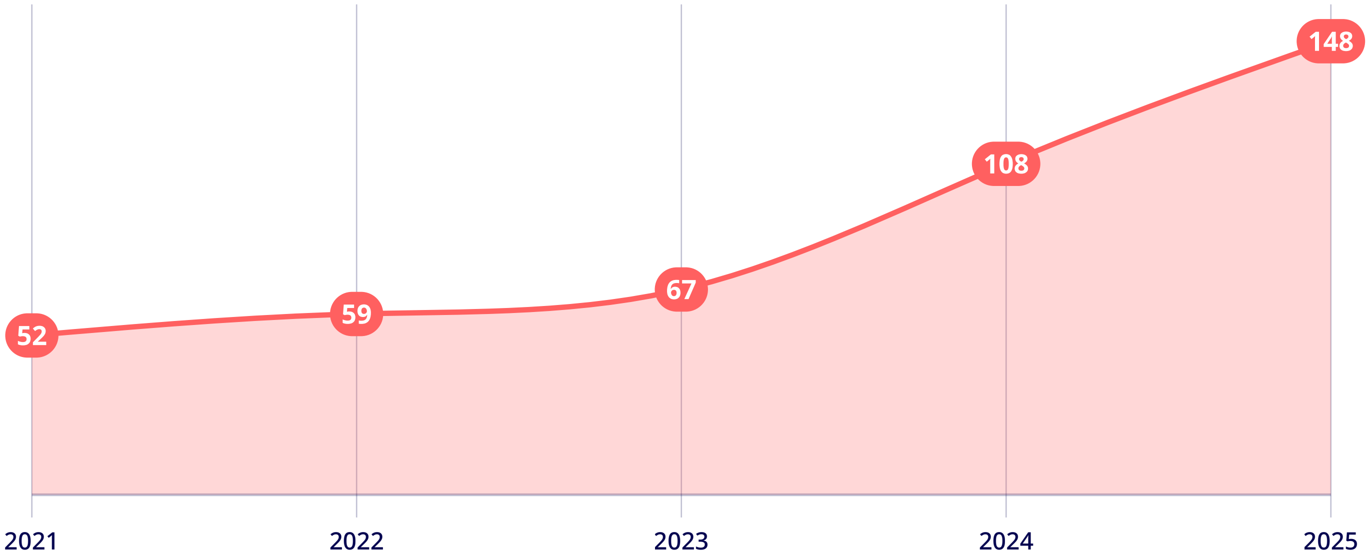
18 attacks
against human rights defenders raising concerns about Chinese business operations in the transition minerals sector.

This report examines allegations of human rights abuses and environmental harms associated specifically with Chinese overseas investment in transition minerals between January 2023 and December 2025, covering 93 projects across 11 key minerals critical to the green energy transition. Following our 2023 report on the human rights impacts of Chinese overseas investment in transition minerals, it draws on expanded data that reflects the accelerated pace of global mining activity. These findings sit alongside those from the 2026 Transition Minerals Tracker, which highlights the role of companies and investors in similar allegations of human rights abuse across the world, including a notable 73% increase year-on-year in alleged harms.

In the context of Chinese overseas investment in transition mineral mining, there has been some progress: international and Chinese standards on responsible mineral supply chains have also become more detailed and widely referenced over the past few years, and there has been an increased level of responsiveness by companies to allegations of harm. However, the findings in this report also highlight persistent governance and accountability gaps that require immediate attention. The steady increase in allegations of abuse from 2021 to 2025, combined with an increasingly fraught environment for human rights defenders, indicates that human rights and environmental risks in transition mineral supply chains associated with Chinese companies are significant.

1 This grand total number of 326 allegations includes three confidential cases of attacks on human rights defenders, which are not included in the analysis of 323 allegations below.

TOTAL NUMBER OF RECORDED ALLEGATIONS BY YEAR



- **326 allegations** linked to Chinese companies' overseas investments in transition minerals were recorded between 2023 and 2025, bringing the **total to 434 allegations** of abuse recorded between 2021 and 2025, with **increases every year since 2021**. The ten Chinese companies connected to the highest number of allegations accounted for nearly two-thirds of all recorded allegations.
- **The highest number of cases was recorded in Indonesia** (96 allegations of abuse), followed by the Democratic Republic of Congo (the DRC) (52), Myanmar (36), Serbia (32) and Zimbabwe (20).
- **Companies' response rate increased to 27%**, up from 18% in 2021-2022, although responses remained concentrated among a handful of companies, mostly those with established human rights policies and dedicated ESG or human rights departments or personnel.
- **Attacks on human rights defenders (defenders) emerged as a concerning issue, with 18 attacks documented** against defenders raising concerns about Chinese business operations in the transition minerals sector, compared with nine cases across 2021–2022.
- **Allegations spanned multiple rightsholder groups: communities (including Indigenous Peoples), workers and the environment.**
  - **179 allegations affected local communities**, with the most salient risks concerning impacts on livelihoods, personal health and land rights.
  - **143 allegations involved workers**, where the most pressing risks related to occupational health and safety, work-related deaths and wage-related complaints.
  - **169 allegations involved environmental damage**, with the most critical risks including water pollution, soil contamination, air pollution and violations of environmental safety standards.

Against this background of rising risk of harm, it is notable that several companies have shown greater signs of responsiveness to human rights abuse allegations, including through more detailed replies to the Business and Human Rights Centre (BHRC). However, other Chinese mining and metals companies still appear to turn a blind eye to these issues, highlighting need for improved transparency as the first step in accountability. Alarmingly, the three companies connected to the highest number of allegations – one third of all allegations recorded – all have public human rights policies in place, raising critical questions about policy implementation and commitment.

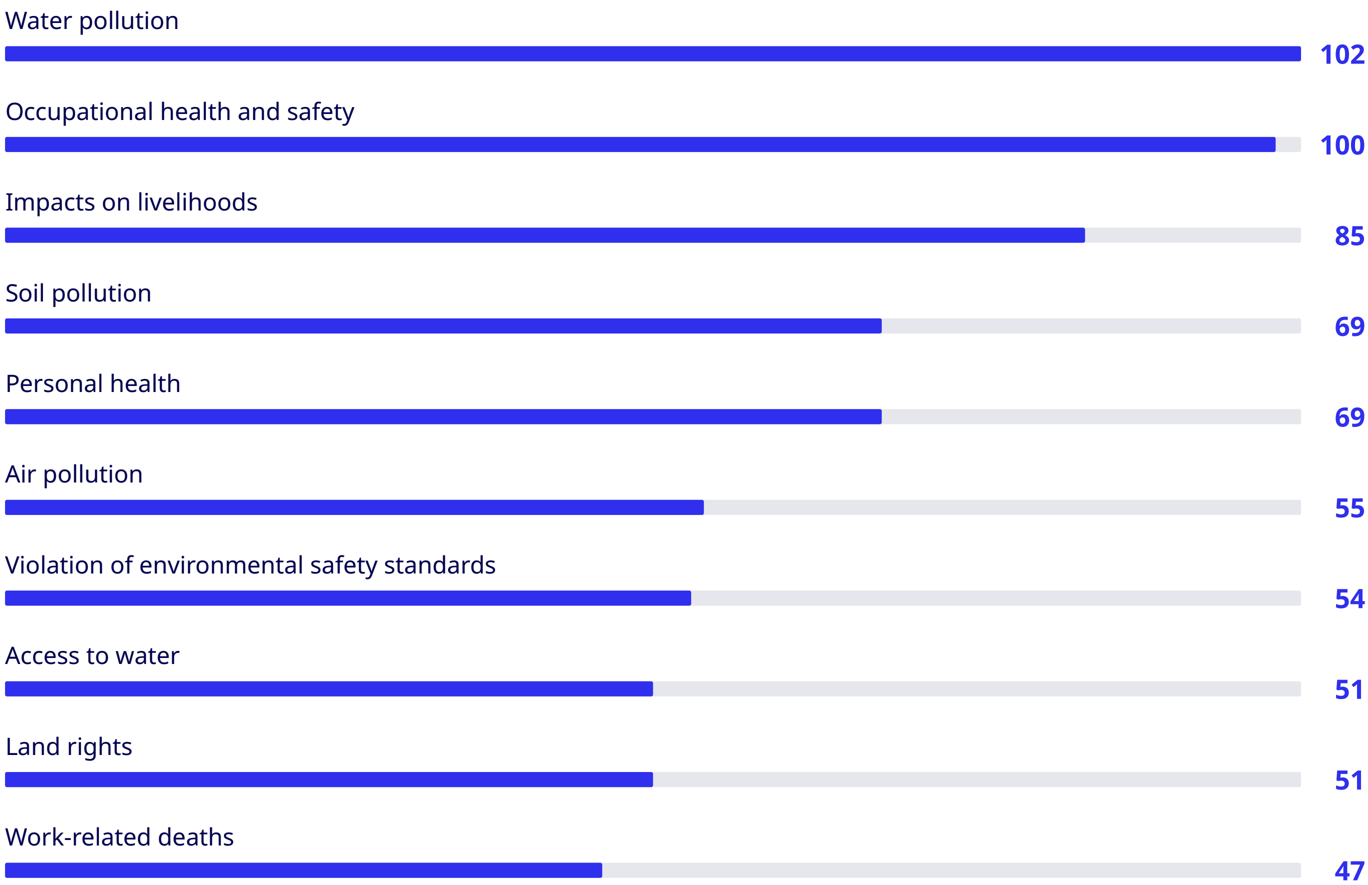
As these findings indicate, such policy and practice commitments to addressing human rights risks in the renewable energy value chain are essential to ensuring the well-being of the planet and people around the world. But there is also a clear business case for stronger human rights action: the reliability of mineral supply chains goes hand-in-hand with traceability, transparency and rights compliance. Failure to engage in meaningful stakeholder dialogue and ensure rights-based operational approaches increasingly leads to resistance and action with serious financial implications – such as litigation, permit withdrawals, work stoppages and strikes. Preventing those outcomes, and contributing to a just energy transition, is possible and must be grounded in three key principles:

- shared prosperity, to build public support;
- fair negotiations to ensure a stable investment environment; and
- robust human rights and environmental due diligence to prevent and mitigate harms.

All businesses, including Chinese actors, should follow the guidance of the UN Working Group on Business and Human Rights. This includes ensuring access to effective remedy is affordable, accessible, adequate and timely, places rightsholders at the heart of the process, is free from fear of victimisation, and treats remedies as an overarching lens in all business and human rights discourse, rather than as an afterthought when the first two pillars of the UNGPs have failed.

As demand for transition minerals to fuel the energy transition only increases, the scope for human rights harms by business and investors will likewise continue to rise. Commitment to a just energy transition, responsible business conduct and rights-based approaches is equally critical.

TOP TEN IMPACTS ASSOCIATED WITH CHINESE OVERSEAS TRANSITION MINERALS INVESTMENT, 2023-2025



Context

China has become the leading global force in manufacturing renewable energy and other energy transition technologies, with major strengths in solar, wind, batteries, electric vehicles and the wider mineral supply chains that support the industry. Although minerals such as lithium and cobalt are often extracted outside China, the country dominates their processing and refining, and holds an even stronger position in downstream manufacturing of finished components. To strengthen supply chain security, Chinese companies are increasingly seeking to secure access to raw material extraction in resource-rich countries such as the DRC, Peru, Indonesia and Bolivia, and are now expanding into Central Asia. This trend extends beyond traditional mining firms: battery manufacturers such as CATL and electric vehicle makers such as BYD are also investing directly in the mining sector.

According to Climate Energy Finance, China has invested over USD120 billion in overseas mining and upstream mineral processing, as well as USD220 billion in midstream and downstream clean technology manufacturing and renewable energy infrastructure between 2023 and 2025. These investments form part of a vertically integrated global green industrial strategy. AidData's research also shows that Chinese financial institutions have supported the global expansion of Chinese companies by committing USD98 billion to transition mineral extraction and processing across 47 developing countries between 2000 and 2023.

Chinese actors have recognised multiple challenges associated with mining operations, including their widespread social and environmental impacts at home and abroad. The government has strengthened oversight by introducing new regulations to implement the Mineral Resources Law and expand sustainability mandates across the industry. Although the Mineral Resource Law does not mention overseas investment, Article 7 of the implementing regulations stipulates that companies engaged in mining exploration and exploitation overseas must comply with Chinese and host country laws, and manage key environmental, social, labour and safety risks in their overseas operations.

More broadly, over the past few years, Chinese authorities have made significant progress in shifting from general environmental commitments to a more specific framework for managing environmental and social risks associated with overseas investment, with the goal of achieving just and equitable global governance. China recently took the lead in the 2025 G20 International Initiative for Economic and Trade Cooperation on Green Mining and Minerals (Green Mineral Initiative), broadening its vision to encompass efforts to promote inclusive global mining and minerals value chains that benefit vulnerable groups, including women and Indigenous Peoples.

The newly published National Human Rights Action Plan (2026–2030) highlights the country's commitment to strengthening guidance on corporate social responsibility, adhering to the UN Guiding Principles on Business and Human Rights (UNGPs), and enhancing enterprises' awareness of and capacity for human rights due diligence. The plan also includes a dedicated section on promoting the fulfilment of human rights responsibilities by corporations.

The Regulation on Overseas Investment (2026) strengthens lifecycle supervision and places greater emphasis on compliance obligations and corporate responsibility with regard to environmental and labour rights protection. It also stresses that investors who violate these rules, or other laws during overseas investment activities, must correct the violation and may face civil, administrative, public order or criminal liability, depending on the harm caused. In April 2026, the state-owned Assets Supervision and Administration Commission (SASAC) of the State Council set up the new Bureau of Overseas State-owned Assets Affairs to oversee the international operations of the Chinese state-owned enterprises (SoEs) under its supervision.

Apart from government and regulatory measures, Chinese industry associations continue to play an active role in drawing up voluntary guidelines on outbound mining investment and ESG reporting. The China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC) – serving as the Green Mineral Initiative's interim secretariat – has announced a global public consultation on the draft of China's Sustainable Mining Code, which is based on the Guidelines for Social Responsibility in Outbound Mining Investment. This could be seen as the first significant achievement since the Initiative's interim secretariat was established. The CCCMC also plays an active role in aligning Chinese guidance with international standards through collaborations with Initiative for Responsible Mining Assurance (IRMA) and other initiatives, as well as broader international civil society organisations.

Taken together, these new initiatives could help create a stronger framework for addressing the current shortcomings in the governance of Chinese overseas mining activities. Previously, many measures were non-binding and presented as guidance or reference documents rather than enforceable rules, which may have limited their practical effect. At the same time, questions remain, particularly among civil society in host countries, regarding meaningful stakeholder engagement and access to effective remedies. For instance, no Chinese bank has reportedly established a functioning institution-wide complaint mechanism. In 2023, civil society groups welcomed the industry-level mediation and consultation mechanism initiated by CCCMC. However, almost three years later, observers point out that no cases have been publicly accepted due to "limited financial, institutional and operational resources".

Given their central role in energy transition supply chains, Chinese companies have the influence to help drive a just and fair transition. However, this will not happen without urgent, proactive and concrete action by companies and regulators to confront the persistent environmental and social harms linked to transition minerals. Meeting this challenge demands not only principled leadership in and from China, but also coordinated and sustained efforts from buyers, investors and other key actors across mineral supply chains to ensure the energy transition is not built at the expense of affected workers, communities and the environment.

Methodology

This report analyses 323 allegations of human rights and environmental abuses related to Chinese overseas investments across large scale project development, extraction, and processing, smelting and refining phases in eleven minerals critical to the green energy transition.

- **Project development** is the preparatory phase in which a mining project is identified, assessed and established. This includes exploration, feasibility studies, obtaining permits, arranging financing, constructing infrastructure and engaging with the local community before commercial production begins.
- **Extraction** is the operational phase in which mineral ore is physically removed from the earth through open pit, underground, or other mining methods.
- **Mineral processing** (or beneficiation) is the vital first step in extractive metallurgy that separates valuable minerals from raw ore. **Smelting and refining** are two subsequent processes used to extract and purify metals from ore.

The report examines allegations at **93 projects**: this does not include projects with unidentified companies, but reported links to Chinese businesses or individuals. The term "project" generally refers to a mine or to a processing, smelting or refining facility operated by a company. In some cases, however, allegations relate to multiple rare earth element (REE) mines located in close proximity, such as within the same area or township. Where the companies involved cannot be clearly identified, these mines are grouped together and treated as a single project.

In addition to the **nine major minerals** tracked by BHRC's global Transition Minerals Tracker (cobalt, copper, lithium, manganese, nickel, zinc, iron, REEs and bauxite), chromium and graphite were added to this report's scope in response to the increasing visibility of potential human rights and environmental risks associated with Chinese overseas investments and their usage in the green transition. Chromium is used in stainless and heat resisting steels, which are widely used across many low carbon technologies and infrastructure, while graphite is included as a major component used in electric vehicle batteries. Steel, used in building wind turbines and electric vehicles, is included under processing, smelting and refining phase of iron.

Since most cobalt mines are associated with copper, to avoid double counting, allegations in cobalt mines were only counted towards cobalt and not towards copper or nickel. Furthermore, between 2023 and 2025, no allegations related to chromium were recorded.

The term "**allegation**" refers to publicly reported incidents of alleged abuse by a company, action against companies (including lawsuits and regulatory action), or publicly reported attacks against human rights defenders. One allegation can be associated with multiple impacts, e.g. an incidence of water pollution may have health impacts and/or impact on livelihoods.

Sources of the allegations include media reports, local and international NGOs and other civil society groups, which cited concerns raised by workers, trade unions or communities, primarily in English, Chinese, Bahasa Indonesia, Spanish, French and Russian. The inclusion of companies in this report is not to be understood as finding guilt or liability has been made against them by an investigative or judicial authority. Allegations involving unidentified business actors are also included in the dataset when they are reported to be linked to Chinese companies or individuals.

Each allegation is categorised under one or more of three affected group categories: community, workers and environment. A single allegation can involve multiple impacts and affected groups. For instance, an incident of water pollution can be linked to health impacts and livelihood losses, therefore affecting both the environment and communities simultaneously.

BHRC's research methodology on recording attacks against human rights defenders can be found here. The cases published in our database are illustrative and do not include all documented cases of attacks on defenders raising concerns about business-related risks and harms. Starting in 2025, the database includes cases where both defenders and companies are named in public sources and the defender has consented for the case to be added. Other cases are treated as confidential and not counted among the 323 allegations analysed in this report.

Limitations

The recording of allegations relies primarily on reports produced by media outlets, NGOs and other civil society actors. While the trends identified provide an indication of the human rights concerns associated with Chinese overseas investment in transition minerals, they are also influenced by the extent to which the media and civil society are able to monitor, document and report such abuses; meaning that the cases captured here likely represent only the tip of the iceberg, with many others going unreported or underreported. Therefore, these findings should be understood considering the following limitations:

- **Restricted civic space:** In certain countries, civil society organisations, independent journalists and human rights defenders operate in environments with limited access to information, restricted civic space and weak or absent independent monitoring and reporting mechanisms. These conditions may hinder the ability of civil society actors to investigate and document allegations of human rights abuses and environmental harm, as well as to pursue accountability, thereby affecting the ability to capture them in this analysis.
- **Language limitations:** The research was conducted primarily using sources in English, with additional review of materials published in Chinese, Bahasa Indonesia, Spanish, French and Russian. Sources published in other languages were not systematically included. As a result, allegations documented exclusively in those languages may not be fully captured in the dataset.

To illustrate the trends specific to Chinese business actors in the global mineral supply chain, this data analysis was based on a modified version of BHRC's global Transition Minerals Tracker methodology. The following table illustrates the main differences between the two methodologies:

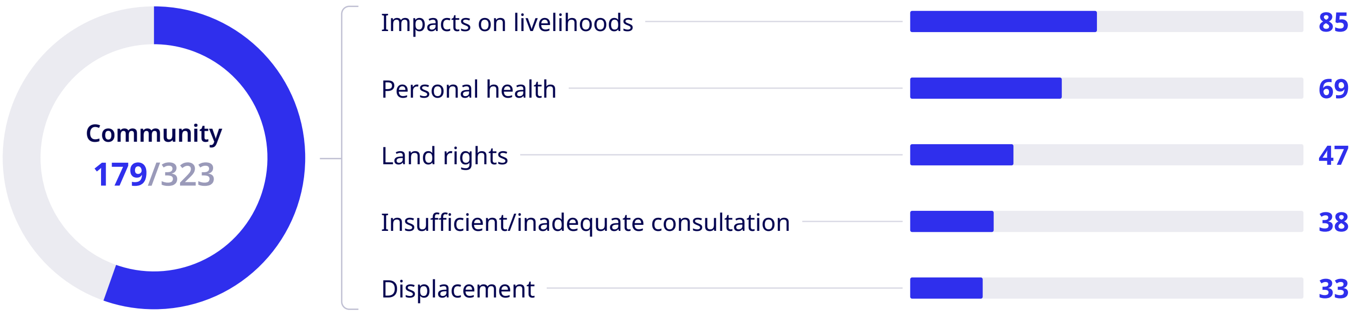
	This research	Transition Minerals Tracker
Scope of minerals	Cobalt, copper, lithium, manganese, nickel, zinc (and lead), aluminium (bauxite), chromium, rare earth elements (REEs), iron ore (including steel) and graphite	Cobalt, copper, lithium, manganese, nickel, zinc, iron ore, bauxite and REEs
Phases in mineral supply chain	Project development, extraction, processing, smelting and refining	Extraction
Scope of companies/ business actors	All relevant Chinese business actors, including Chinese headquartered companies and their subsidiaries, small and medium enterprises (SMEs) and illegal miners, which may be unidentified	Larger, named mining companies regardless of location of headquarters
Counting of allegations	Allegations counted per company by default. When business entities cannot be identified, they are being counted per project	Allegations counted per company, i.e. one allegation may be counted more than once if it involves more than one company

Key findings

Human rights and environmental impacts

Consistent with findings from 2021-2022, Chinese overseas investment in transition minerals is broadly associated with concerns about impacts on workers, communities and the environment. Of the 323 allegations recorded, 179 (55%) related to adverse impacts on communities (including Indigenous Peoples), 143 (44%) related to workers and 169 (52%) related to the environment. One allegation can be linked to several impacts on different affected groups.

TOP IMPACTS ON AFFECTED GROUPS



Significant water risks triggered by mining and processing of transition minerals

Water pollution is the most significant alleged environmental impact linked to human rights documented between 2023 and 2025. This also correlates with broader social and human rights consequences, including risks to personal and public health, access to water, the right to food and impacts on livelihoods.

- **Zambia:** Several tailings dam accidents associated with Chinese mining projects were recorded in 2025. In February 2025, a major environmental disaster unfolded in northern Zambia when a tailings dam at a copper mine owned by Sino-Metals Leach (Sino-Metals) leaked, reportedly releasing an estimated 50 million litres of acidic, highly toxic waste into the Kafue River ecosystem. The spill caused severe damage to aquatic life, disrupted water supplies and affected agricultural activities along the river, a vital water source for around 60% of Zambia's population. While Sino-Metals apologised and promised clean-up efforts, affected farmers have reportedly been struggling with inadequate compensation and long-term health effects linked to the pollution. They have also alleged that the company asked villagers to sign deeds of settlement and release in an effort to bar any future legal claims related to liability. Community leaders involved in litigation against the company have reportedly been intimidated and harassed. Furthermore, it is alleged that the company and local police have surveilled journalists and civil society actors, restricting their access to the area for further investigation. Sino-Metals' parent company China Nonferrous Metal Mining (CNMC) did not respond to BHRC's request for comment regarding the allegations of security being hired to silence locals.

- **Indonesia:** In March 2025, heavy rains reportedly caused multiple failures at tailings facilities in Indonesia's Morowali Industry Park (IMIP), polluting the local river and killing three workers. PT QMB, one of the operating companies, responded that it had initiated multiple measures to improve emergency response capacity. However, a further landslide in the waste storage area of PT QMB killed another worker in February 2026. While Indonesian authorities were reportedly considering revoking QMB's environmental permit following the incident, QMB's parent company, GEM, denied these claims and stated that the required corrective measures had been completed. In addition, evidence was found that seepage from the tailings facility at another nickel production complex on Obi Island, involving Indonesian mining giant Harita and Chinese company Lygend, had contaminated the groundwater with boron, chromium-6 and nickel. Lygend did not respond to requests from the media for comment. In an article on its website, Harita claimed the company conducts "periodic monitoring" of the spring and that the latest results showed the water was safe to drink, containing only "very low levels" of chromium-6. A recent Earthworks report highlights the dangers posed by a particular waste storage technology used at many new nickel facilities in Indonesia. The massive size and rapid expansion of these tailings facilities increases the risk of failure. Indonesia's frequent heavy rainfall and earthquakes could also make failures more likely.

- **Myanmar:** Alarmingly, unregulated and illicit rare earth mining in conflict-affected areas of Myanmar is allegedly driving ongoing water pollution and a transnational environmental crisis. Data collected between 2021 and 2022 raised serious concerns about the devastating impacts of rare earth mining in northern Myanmar, reportedly backed by unidentified Chinese owners or investors. However, over the past three years, the scale of rare earth mining in Myanmar has increased significantly, expanding from Kachin State to Shan State near the borders of Thailand and Laos. This poses a major threat to vital water sources in the Mekong region, spanning five countries, including downstream Cambodia and Vietnam. It not only affects the health and livelihoods of millions of local people, but could also jeopardise the region's global food exports, including rice to the US, edamame to Japan and garlic to Malaysia.

Migrant and immigrant workers

Migrant workers are disproportionately exposed to precarious and exploitative conditions when employed abroad, often stripped of the legal protections, social networks and bargaining power afforded to nationals and permanent residents. This also applies to Chinese workers abroad. Between 2023 and 2025, 37 allegations of human rights abuses affecting migrant workers were documented, accounting for more than 25% of all 143 allegations relating to workers. Of these, 30 cases were linked to Chinese-invested smelter or refinery projects in Indonesia. The majority of the migrant workers involved were from China.

ALLEGATIONS INVOLVING MIGRANT AND IMMIGRANT WORKERS

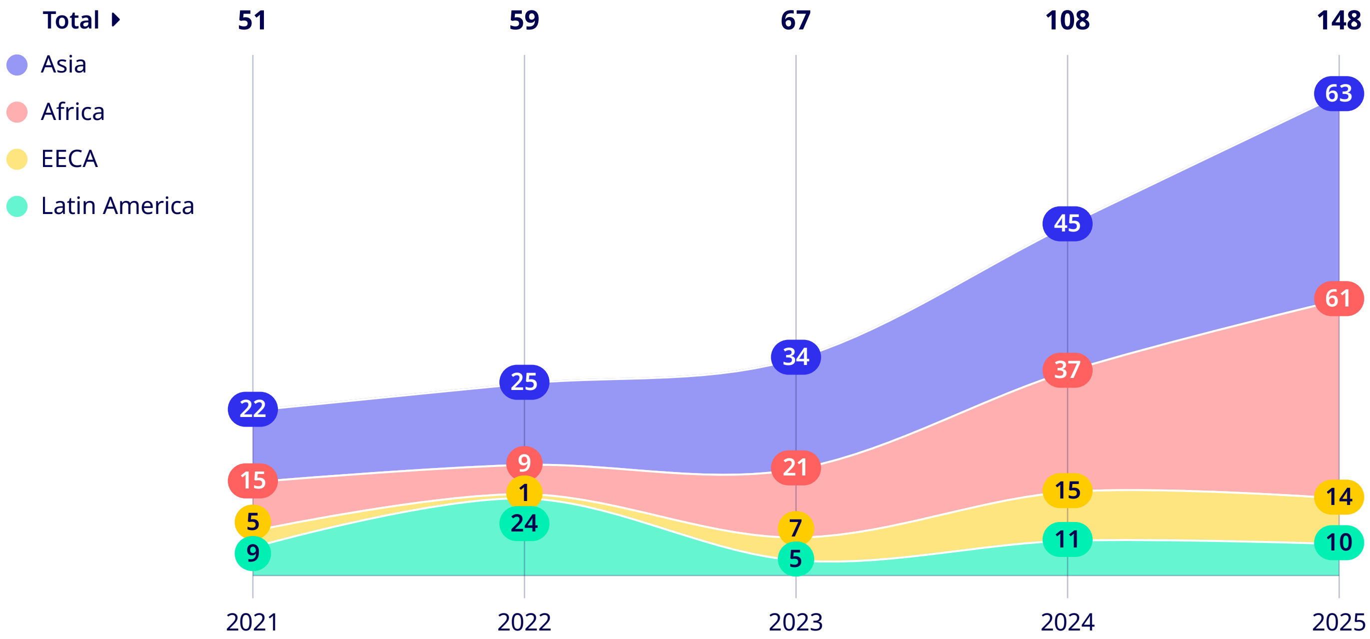
Although Chinese migrant workers in Indonesia are often perceived as earning higher salaries than their local counterparts, this apparent economic advantage does not protect them from disproportionate workplace risks. The data indicates a higher incidence of work-related deaths (14 cases), wage-related complaints (16 cases) and injuries (12 cases) among migrant workers. Beyond occupational health and safety violations and wage issues, migrant workers were also more vulnerable to egregious human rights abuses, including violence, intimidation and forced labour.

Investigations by Grist have revealed Chinese migrant workers in Indonesia's nickel sector, particularly those employed in Indonesia Morowali Industrial Park (IMIP) and Indonesia Weda Bay Industrial Park (IWIP), have faced constant challenges, including restricted movement and passport confiscation, which are used to maintain control. They have also endured high-risk environments where severe and frequent accidents occur. However, economic desperation often prevents them from speaking out. Tsingshan Holding Group declined to comment on reported accident figures. IWIP told Grist that all incidents are recorded and serious ones are "investigated thoroughly to strengthen training and improve operational safety standards", but it did not comment on individual incidents.

One important factor contributing to these unsafe and unequal conditions is migrant workers' limited participation in labour unions or other forms of collective worker organising. As migrant workers typically have less access to unions, their bargaining power is reduced and they are less able to voice concerns about unsafe working conditions, unfair treatment or exploitative practices without fear of retaliation. This reduces opportunities for early intervention, resulting in retrospective and often insufficient action when accidents occur. Their inability or hesitation to join unions may stem from fear of retaliation, legal insecurity, employer pressure, language barriers and unfamiliarity with local labour laws. Consequently, many risks remain unaddressed until they escalate into injury, death or other serious abuses. Together with cultural and linguistic barriers, restrictions on freedom of expression and unionisation, and limited access to effective remedies, this lack of representation exacerbates power imbalances between workers and their employers, leaving migrant workers particularly vulnerable to abuse.

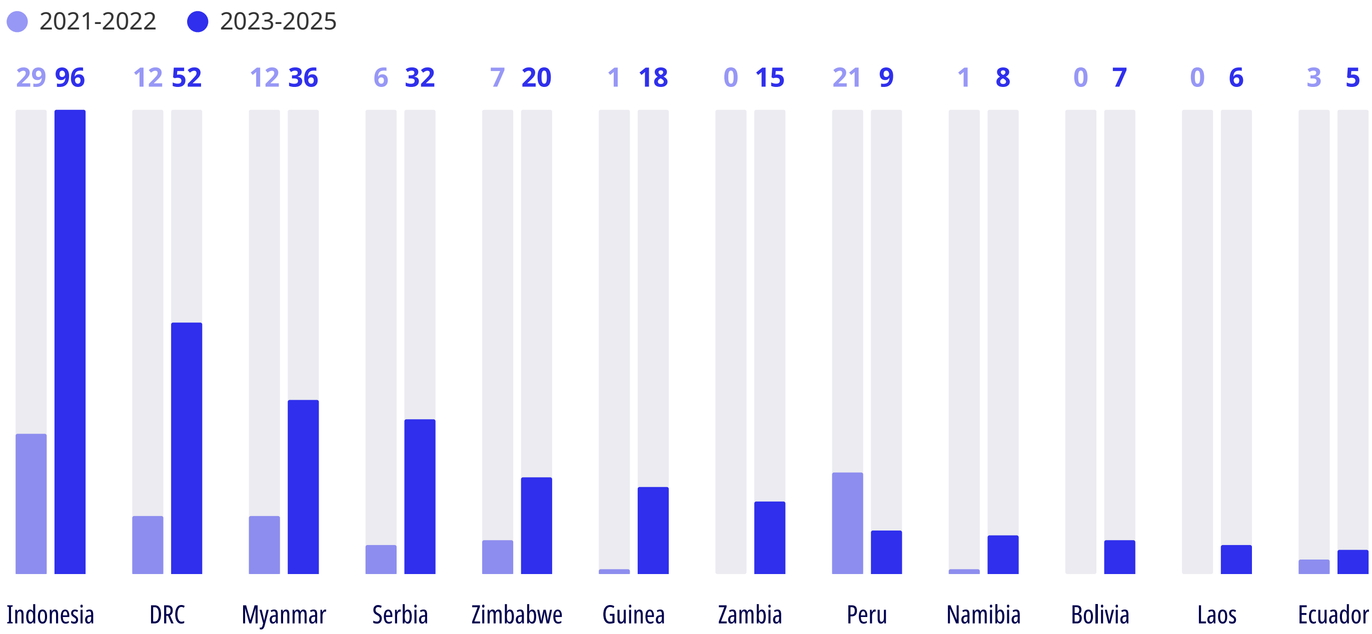
Geographies of abuse

ALLEGATION COUNT BY REGION AND YEAR



The 323 allegations of human rights and environmental abuses recorded between January 2023 and December 2025 spanned 24 countries. Indonesia recorded the highest number (96), followed by the DRC (52), Myanmar (36), Serbia (32) and Zimbabwe (20). Overall, most allegations were concentrated in Asia and the Pacific (142 allegations, 44%), followed by Africa (119 allegations, 37%), Eastern Europe and Central Asia (EECA) (36 allegations, 11%) and Latin America (26 allegations, 8%). Since we began tracking these allegations of abuse, there has been a significant increase over the past five years: from 51 in 2021 to 148 in 2025, adding up to a total of 434 allegations for the period between 2021 and 2025.

ALLEGATIONS BY COUNTRY – TOP 12



- **Asia:** As the nickel industry continues to expand, allegations related to nickel mining or processing show a clear upward trend. Indonesia, the investment hotspot for Chinese nickel companies with 75% of its nickel refining capacity linked to Chinese firms, recorded the highest number of allegations globally. Prominent examples include Indonesia Morowali Industrial Park (IMIP), Indonesia Weda Bay Industrial Park (IWIP) and nickel projects on Obi Island, which together accounted for 59 allegations. The number of allegations in Myanmar more than doubled, driven by the ongoing expansion of illegal rare earth mining and clashes between civilians and military forces near Wanbao's Letpadaung copper mine.

- **Africa:** Allegations related to cobalt and copper mines in the DRC, such as the Tenke Fungurume mine (TFM) and the Congo Dongfang International Mining (CDM) mine in the Lumbashi region, made the country the second most affected overall. Beyond the DRC, the outset of lithium and iron ore projects contributed to the region's rise in allegations. Notable examples include the Bikita lithium mine in Zimbabwe and the Simandou iron ore project in Guinea.

- **Eastern Europe and Central Asia:** Allegations increased considerably, largely attributable to a single new source of allegations: copper mining in Serbia, including Zijin Mining's investment in Bor District.

- **Latin America:** Although the region has been a mining hotspot and has the highest number of allegations recorded in the global Transition Minerals Tracker, the rise in the number of allegations linked to Chinese companies in the region was relatively modest compared to other regions. This may be due to the smaller proportion of Chinese overseas investment in recent years. However, given the continued investments by Chinese companies in the Andean copper sector, exemplified by the Mirador and Las Bambas projects, as well as in lithium extraction projects in Bolivia and Argentina, including Salar de Uyuni and Salinas Grandes–Laguna de Guayatayoc, and considering China remains the largest export destination for copper and lithium produced in the region, rigorous and sustained monitoring of environmental and human rights impacts across the transition mineral supply chain is essential. Moreover, several existing and proposed mining projects continue to face longstanding community grievances that remain unresolved. The Las Bambas Project in Peru provides a notable example, having faced persistent criticism over unfulfilled commitments related to the relocation of displaced communities, as well as environmental impacts. Although the convictions of 11 human rights defenders prosecuted for protesting the project were overturned in 2025, at least 19 community members continued to face criminal proceedings linked to protest activities. These dynamics highlight the need for continued monitoring the evolving risks in the region's extractive sector.

Myanmar: Urgent need for heightened human rights due diligence across mineral supply chains in conflict-affected contexts

Since Myanmar's 2021 military coup, Chinese companies have reportedly remained the military junta's most important foreign investors, maintaining strategic projects that provide essential revenue for the regime's survival – despite heightened human rights risks. Between 2023 and 2025, BHRC recorded 36 allegations related to the extraction of nickel, copper and REEs in Myanmar. However, given the closed state of civic space in the country – as classified by CIVICUS Monitor due to the severe and systematic assault on fundamental freedoms since the military coup – it is likely that allegations relating to the negative environmental and human rights impacts of foreign investment are significantly underreported.

While the majority of the allegations were linked to individuals and small businesses involved in REE mining that were difficult to identify, a handful of large companies were reportedly operating amid the ongoing armed conflict. These included Wanbao Mining at the Monywa (Letpadung) copper mine, China Nonferrous Metal Mining (CNMC) at the Tagaung Taung nickel mine, and Xiamen Tungsten and Chifeng Jilong Gold Mining, which is allegedly expanding their gold and rare-earth mining operations in Myanmar's Shan State through their joint venture Shanghai Chijin Xiawu Metal Resources. None of these companies responded to our request for comment on the measures they take to mitigate risk in conflict-affected contexts.

In 2024, Myanmar became the second largest supplier of REEs after China, particularly of magnet materials such as neodymium, praseodymium, dysprosium and terbium. Since the military coup in 2021, REE mining has expanded rapidly amid fragmented governance arrangements involving small and medium-sized Chinese businesses, militias, armed groups, informal tax collection systems and opaque cross-border deals. These operations have been accused of causing irreversible environmental damage and are linked to severe human rights violations, as reported by Global Witness, Myanmar Resource Watch, Shan Human Rights Foundation (SHRF) and others. This reveals a deeper contradiction at the heart of the global green transition: as richer countries invest in new technologies, the environmental destruction, human rights violations and conflict-linked financing tied to critical mineral extraction are often shifted onto politically unstable regions. In effect, this produces largely unseen "sacrifice zones" that remain mostly absent from dominant climate narratives.

Between 2023 and 2025, six allegations were associated with Wanbao's Letpadaung Copper Mine, which has been the subject of a long history of controversies, including protests, land disputes, social conflicts and tensions since its inception. In September 2023, a group of independent human rights experts appointed by the United Nations issued a letter expressing concern about impacts of Wanbao's continued operation in Letpadaung, including the forced eviction and displacement of civilians, collaboration with Myanmar military forces, financial support for the Myanmar military through the mine's joint shareholder structure and business revenues, as well as environmental damage. Wanbao, its parent company Norinco and the Chinese Government, did not respond to the UN experts' letters.

In May 2024, hundreds of protesters in the Sagaing region called for the closure of the Letpadaung mine, citing longstanding concerns over business-military collusion, lack of compensation and environmental harm. According to Frontier Myanmar, the security situation has worsened significantly since mining resumed in 2024: arrests and killings by junta troops have become routine, and soldiers frequently loot and vandalise villages along convoy routes while arresting civilians found outside.

Due to the limited availability of public information, it is unclear whether the Chinese Government and companies still operating in Myanmar have taken any measures to mitigate human rights and environmental impacts in conflict-affected areas. The complexity of the conflict dynamics and the severity of the environmental and social impacts demonstrate that for downstream companies in the renewable energy sector which are end-buyers of minerals extracted in Myanmar, a conflict-sensitive approach and heightened human rights due diligence throughout the business value chain are indispensable for responsible business practice.

Phases of the supply chain

Of the 323 human rights allegations recorded, 213 occurred during the extraction phase. Compared with data from 2021-2022, not only does it continue to be the phase with the most allegations, but it has also increased significantly in proportion, with allegations of abuse rising from 48% to 66% of the total.

ALLEGATION COUNT BY STAGE

Meanwhile, the processing phase (80 allegations) maintains a broadly similar share at approximately 25%. In contrast, the project development stage (30 allegations), previously categorised as “exploration and licensing”, has declined sharply from 24.5% to 9%. This could be due to the maturation of the transition minerals pipeline, with many projects having secured exploration rights and licensing approval and progressing into active operations, leaving fewer mines at the pre-production stage. Other projects did not advance beyond the project development stage due to oppositions and development setbacks, including contract revocations, expropriations and changes in national mining laws.

Across all three stages, water, soil and air pollution, alongside their impacts on local communities’ livelihoods, emerge as the most pervasive rights impacts. Nevertheless, each stage exhibits distinct profiles. During the project development stages, threats to communities, especially Indigenous Peoples, emerge as a significant concern. In the extraction stage, the impacts of water and soil pollution on livelihood and health stand out. In the processing, smelting and refining stages, workers’ occupational health and safety remain the most prominent risk. Consistent with findings from 2021-2022, these findings the urgent need for companies and governments to address these deeply rooted issues.

TOP TEN IMPACTS BY STAGE

Project development	**Extraction**	**Processing, smelting and refining**
Impacts on livelihoods	Water pollution	Occupational health and safety
Impact assessment	Impacts on livelihoods	Work related deaths
Soil pollution	Personal health	Injuries
Indigenous Peoples	Soil pollution	Water pollution
Water pollution	Occupational health and safety	Wage theft
Free, prior and informed consent (FPIC)	Violation of environmental safety standards	Impacts on livelihoods
Insufficient/inadequate consultation	Air pollution	Air pollution
Land rights	Access to water	Violation of environmental safety standards
Access to water	Land rights	Access to information
Impact on notable or protected areas	Insufficient/inadequate consultation	Intimidation

Effective, rights-based engagement with Indigenous communities is a necessary step to prevent setbacks or regulatory delays during project development phase

The decreased number of allegations associated with mines in the project development stage partly reflects the fact that some projects have faced prolonged delays or permit revocations, leaving them in extended periods of operational uncertainty. These interruptions can result from various forms of resistance from community members or other civil society actors, including protests, legal challenges, government complaints and many other forms of action, and may temporarily reduce the emergence of new allegations.

Delays to projects may eventually translate into additional costs, such as repeated attempts in obtaining environmental permits or extra workdays on site. Several recent cases illustrate these dynamics.

- **In Indonesia**, the Dairi Prima Mineral zinc and lead project continued to face legal challenges from Indigenous communities. Although the project's environmental permit was reissued, the revocation in 2024 led to additional procedures for the operator seeking to reverse the decision. In Ecuador, the San Carlos-Panantza copper project was halted after courts found that Indigenous Shuar communities had not been properly consulted prior to the project being planned, with additional scrutiny from the International Labour Organization.

- **In Papua New Guinea**, the Frieda River gold and copper project encountered sustained resistance from Indigenous Sepik communities, including a human rights complaint filed by local villagers, contributing to delays in regulatory approval. Similarly, lithium projects in Argentina's Salinas Grandes y Laguna de Guayatayoc basin have faced protests, legal challenges and court review over alleged failures to secure consent from Indigenous communities, contributing to repeated delays and temporary suspensions.

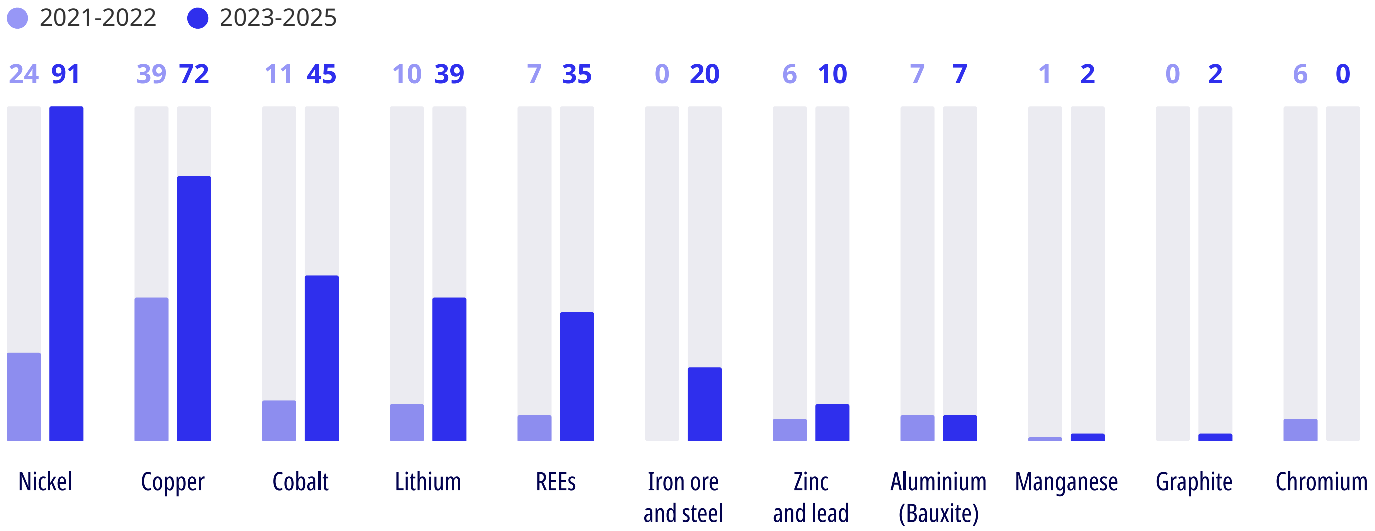
These examples highlight the necessity of meaningful and rights-based community engagement – not merely as a procedural exercise to demonstrate compliance, but as a genuine pre-emptive measure against social, legal, reputational and regulatory risks. Impact assessments that fail to effectively involve Indigenous communities under the FPIC principle may expedite the permit application process in the short term, but unresolved social opposition can significantly undermine project implementation. In such cases, efforts to accelerate project approval may ultimately prove counterproductive, resulting in further delays and additional costs, rather than a quicker project launch.

Photo by Chalefun Ditphudee, Earthrights International

Allegations by mineral

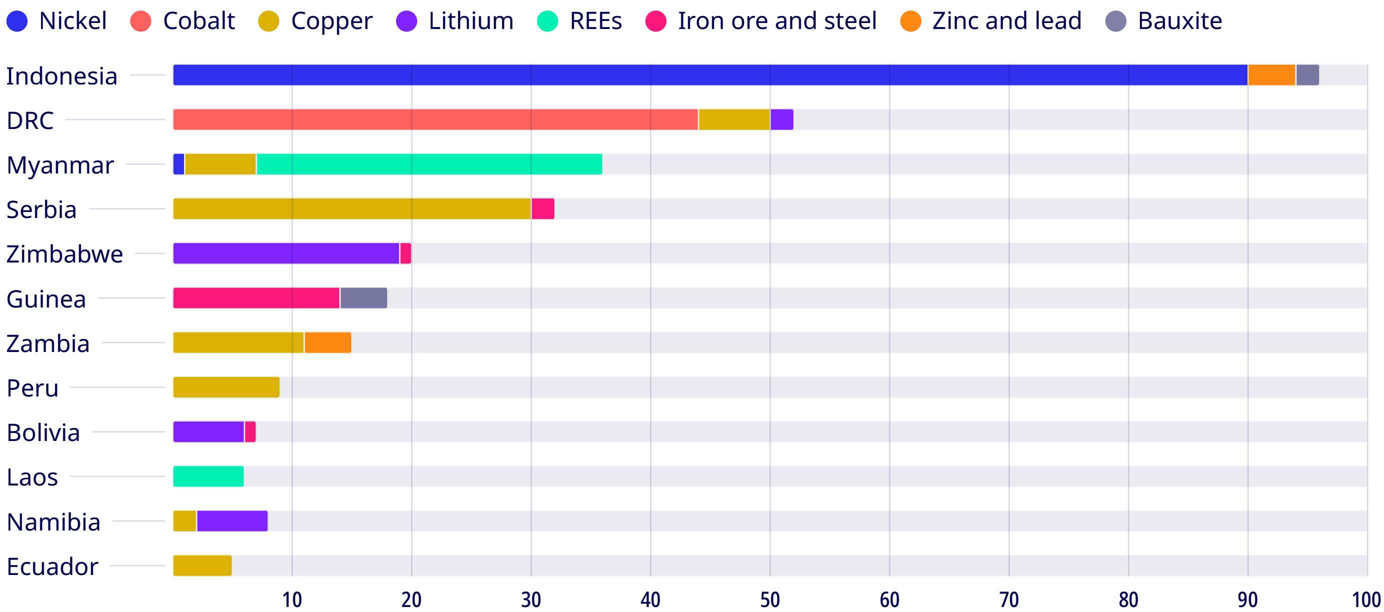
Nickel (91) and copper (72) continued to record the highest numbers of associated allegations. Allegations related to nickel mining and processing increased steadily, primarily driven by the expansion of the nickel industry in Indonesia, with nickel overtaking copper as the mineral associated with the highest number of allegations.

ALLEGATIONS BY MINERAL



Substantial increases in allegations were also observed in lithium and REEs. In the case of lithium (39), the rise was largely associated with impacts on Indigenous Peoples and local communities, alongside severe pressures on water resources in surrounding areas. These issues are linked to extraction activities in Africa and Latin America, exemplified by the expansion of lithium production in Bolivia, partly driven by a subsidiary of CATL. For REEs (35), pollution associated with mining activities in Myanmar featured prominently in the dataset. The two new minerals added to the scope of this report (iron ore, including steel, and graphite) recorded 20 and two allegations, respectively. These were mostly linked to projects in Africa.

ALLEGATIONS BY COUNTRY AND MINERAL TYPE (TOP 12 COUNTRIES)



Indonesia: Persistent labour and environmental impacts of nickel industry demonstrate the need for greater transparency and human rights due diligence across mineral supply chain

Indonesia's nickel industry continues to grow. At IWIP, new investments from POSCO, CNGR Advanced Material, Zhejiang Huayou Cobalt and REPT BATTERO, alongside Tsingshan Group, drove rapid expansion in nickel processing capacity. On Obi Island, the expansion of High-Pressure Acid Leaching (HPAL) facilities co-invested by Harita Nickel and Lygend Resources, coupled with the growth of captive coal power, resulted in a substantial increase in the production of battery-grade nickel compounds for electric vehicle (EV) battery production. Meanwhile, industrial parks producing EV battery materials, along with other nickel and non-nickel-related products, continued to expand. In IMIP, the number of tenant companies reached 52 in 2023, the same year a notable 4,400-acre expansion was announced. Meanwhile, the Indonesia Huabao Industrial Park (IHIP), invested in by Zhenshi Holding Group, became operational in 2024.

Projects co-invested by EV companies, mining firms and nickel product suppliers are increasingly emerging. The Indonesia Pomalaa Industrial Park, with a projected production capacity of 120,000 tons of nickel metal per year, is currently under construction. The project is jointly invested in by Zhejiang Huayou Cobalt, Vale and Ford Motor Company. In 2024, automaker Stellantis reportedly proposed a joint investment in a nickel smelter alongside Vale Indonesia and Huayou Cobalt. However, civil society groups have warned that the project could potentially threaten local forests and Indigenous communities. In response, Stellantis clarified there are no ongoing discussions regarding a potential joint venture or partnership for nickel smelter development in Indonesia.

Simultaneously, as midstream processing expands, the increased demand for nickel ore has led to the development of previously non-prioritised reserves. Mining on small islands under 2,000 sq. km, although formally protected by national law, has increasingly been approved, with 218 permits issued on 24 small islands as of 2024. In addition, imports of nickel ore from the Philippines have surged by approximately 4,000%.

Meanwhile, human rights and environmental concerns remain significant in all of the aforementioned projects. Of the 96 allegations recorded in Indonesia between 2023 and 2025, 90 were linked to the nickel industry. Of these, 71 concerned nickel processing activities, 17 with nickel extraction operations and two were associated with projects in the development stage. Closer examination of the data illustrates the deep-seated nature of labour issues within Indonesia's nickel processing sector. Of the 25 allegations recorded globally involving worker injuries, 17 were linked to nickel processors in Indonesia. Similarly, of the 47 allegations involving worker deaths, 27 were linked to Indonesian nickel processing operations. Allegations relating to forced labour (six cases) and violations of freedom of association (six cases) were also prominent.

In addition, failure to espect Indigenous Peoples' right to FPIC reportedly resulted in serious violations to the livelihood and cultural rights of Indigenous communities (eight cases). The Hongana Manyawa and Bajau peoples experienced land dispossession, degradation of their living environment and the loss of traditional livelihoods and cultural ties.

Pollution-related problems were no less pronounced: nickel processing operations in Indonesia accounted for 22 allegations relating to water pollution, 14 related to air pollution, and nine related to soil pollution. These issues were most prominently associated with the HPAL processing method, commonly applied to produce battery-grade nickel compounds, which carries serious risks of acid overflow from tailings ponds. In March and June 2025, tailings overflows in Morowali and Obi Island respectively, caused worker deaths and flooding in nearby villages, illustrating the severe consequences that can result from the mismanagement of nickel smelting operations for surrounding areas. Currently, nine HPAL facilities are operational in Indonesia, with an additional 12 under construction or already permitted, and 12 more proposed.

As the supply chain linking nickel miners, processors, battery makers and EV manufacturers becomes increasingly complex and harder to trace, this further underscores the need for downstream companies to strengthen supply chain traceability or otherwise risk complicity in abuses. For instance, in the Raja Ampat archipelago, nickel ore extraction have drawn serious controversy over deforestation and coral reef damage, with multiple mining permits already revoked. Field research by Greenpeace discovered that at least part of the nickel ore extracted from Raja Ampat was transported to IWIP for further processing. Nickel ore imports from the Philippines to Indonesia had also drawn additional concerns, given that communities have experienced severe environmental and social impacts associated with nickel mining.

A comprehensive supply-chain mapping published in 2025 identified 11 automobile manufacturers that are linked, or potentially linked, to Indonesian nickel products: Tesla, Volkswagen, BMW, Stellantis, Hyundai/Kia, Ford, Volvo, NIO, Audi, Toyota and Mercedes-Benz. However, the report also highlighted significant traceability challenges throughout the nickel value chain. While Tesla discloses some of its nickel suppliers, Volkswagen reports its principal nickel sourcing countries, and Stellantis has disclosed certain nickel-related suppliers, most other automakers only disclose broad sustainability policies without identifying the specific nickel mines, smelters, refiners or intermediaries in their supply chains, making independent traceability difficult. It remains difficult to determine the extent to which individual manufacturers may be connected to the human rights and environmental risks associated with Indonesian nickel production.

Ultimately, as downstream manufacturers, including EV makers, operate within complex and opaque supply chains, the links between finished products and the human rights or environmental risks associated with nickel can remain deeply obscured. Given their growing influence over global nickel demand, investors and civil society expect EV manufacturers to not only improve supply chain traceability, but to also exercise their leverage over suppliers to prevent, mitigate and remediate social and environmental risks throughout the nickel value chain.

Photo by Chalefun Ditphudee, Earthrights International

Gendered impacts of transition mineral projects: The unequal burden on women

Women disproportionately bear the harms of abusive business practices shaped by patriarchal social systems around the world. Yet these impacts have often been underreported and poorly understood. This is exemplified in the transition mineral mining sector. Between 2023 and 2025, 26 allegations specifically affecting women. These allegations spanned cobalt mines in the DRC, graphite mines in Madagascar, small zinc-processing companies in Zambia, REE mines in Myanmar and nickel smelters in Indonesia.

- **In the DRC and Myanmar**, water pollution linked to cobalt and REE mining allegedly harmed women's reproductive health, reportedly contributing to miscarriages and premature births. Zijin Mining, the parent company of COMMUS, stated in its response to BHRC that COMMUS had not received any complaints regarding health issues allegedly caused by mining activities. It emphasised that it follows strict safety, health and environmental standards as a large-scale operator and that the reported allegations may have conflated artisanal and small-scale mining with large-scale operations.
- **In Indonesia**, women working in IMIP and IWIP nickel plants have reported sexual harassment and discrimination related to pregnancy. However, none of the companies responded to the BHRC's request for comment.
- **In Kabwe, Zambia** – where lead pollution is among the most severe in the world, stemming from contamination by a former industrial zinc and lead mine and smelter – Chinese processing companies reportedly purchase zinc and lead from waste materials mined by small-scale miners, including women and children, who are not provided with proper protection. Lead exposure can affect multiple body systems and is particularly poisonous for young children and women of childbearing age. None of the companies identified in the above allegations responded to Human Rights Watch.
- Widespread and systematic discrimination against women was found **in Madagascar**'s graphite mining area operated by Gold Sand SARL, particularly with regard to hiring, job assignment and professional recognition. Most of the women surveyed reported being excluded from technical and better-paid roles. The study also revealed that gender stereotypes about women's supposed physical unsuitability for mining push most women employed by mining companies into low-status, precarious support roles with limited development opportunities. Ruima Mining Investment, the parent company of Gold Sand SARL, and its partner, Yaobai International Holding Limited, did not respond to BHRC's request for comment.

While these cases may represent only the tip of the iceberg, they nevertheless highlight the gendered impacts of mining and processing projects across different contexts. The data also underscores the importance of documenting the challenges women face and ensuring their meaningful participation and leadership in stakeholder engagement and decision-making processes.

Photo by Chalefun Ditphudee, Earthrights International

Human rights defenders and civic space

Between 2023 and 2025, BHRC documented 18 attacks[2] on human rights defenders raising concerns about overseas Chinese businesses operating in the transition minerals sector. This brings the total number of attacks between 2021 and 2025 to 27. Over half of these attacks were against environmental groups or activists, highlighting the heightened risks faced by environmental defenders who voice concerns about environmental risks and damage related to business activities. Five of these **attacks** involved judicial harassment, including against environmental defenders raising concerns about the Zijin Bor Copper mine in Serbia and IWIP nickel operations in Indonesia.

Six attacks against women human rights defenders were documented, accounting for one third of all attacks on defenders. Three of these were against Dewi Anakoda, an Indigenous environmental human rights defender, in relation to the Weda Bay Nickel mine in Indonesia. Since 2024, Ms Anakoda has reportedly faced violent attacks and intimidation in connection with her efforts to expose the human and environmental impacts of nickel mining on Halmahera Island, particularly in relation to the activities of Weda Bay Nickel, a joint venture between French Eramet, China's Tsingshan Group and state-owned company PT ANTAM. On 19 August 2025, UN experts raised concerns with the Indonesian, French and Chinese governments, as well as several mining companies, regarding the situation on Halmahera Island. So far, only the French government and Eramet have responded to the UN Special Procedures. Eramet responded that, as a minority shareholder, the company has exercised its role of positive influence with a commitment to responsible business conduct. It claims it was not aware of the allegations relating to attacks against human rights defenders in the UN Special Rapporteur's communication letters, but has requested updates from PT Weda Bay Nickel. Following another reported attack on Dewi Anakoda in December 2025, the Special Rapporteur urged Indonesia to protect human rights defenders from further intimidation and violence.

Protecting human rights defenders is not only a matter of respecting fundamental freedoms, but also a critical part of responsible business conduct and effective risk management. Human rights defenders identify social, environmental and human rights risks before they escalate into conflict, litigation, project delays or reputational harm. They communicate the concerns of affected workers and communities, highlight gaps in consultation and grievance processes and help companies better understand the real impacts of their operations and business relationships. Businesses should recognise defenders as legitimate stakeholders and refrain from taking any action that intimidates, criminalises, stigmatises or retaliates against them. All business actors have a responsibility to respect the rights of defenders under the UNGPs.

Despite an ongoing, persistent pattern of attacks on defenders raising concerns about business, among the top ten companies associated with the highest number of allegations, only Zijin Mining has policy commitments to not tolerate or contribute to attacks on defenders.

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2 This includes three additional confidential cases of attacks on defenders which were not included in the 323 allegations analysed. For more information on the types of attacks we record, see our human rights defenders database methodology.

Company response rates and human rights policies

The top ten companies linked to the highest numbers of allegations are listed below. Notably, the allegations connected to mineral projects involving these ten companies alone account for nearly two thirds (65%) of the total recorded 323 allegations across different continents. Many of these companies are involved in multiple allegations concerning mining and/or processing projects in different countries, some of which are flagged as priority projects by both nations, with high hopes for economic returns and social benefits.

TOP TEN COMPANIES LINKED TO THE HIGHEST NUMBERS OF ALLEGATIONS

Number of allegations	Countries where alleged abuses took place	Response rate[3] to allegations in 2023-25	Company listed on stock exchange	Human rights policy available[4]	Grievance mechanism	Policy on Indigenous Peoples' rights	Policy commitments not to tolerate or contribute to attacks on human rights defenders
Zijin Mining							
49	DRC, Serbia, Tajikistan, Russia	**89%** (17/19)	Yes	Yes	Yes	Yes	Yes
Tsingshan Group							
42	Indonesia, Zimbabwe	**0%** (0/15)	No	Yes (IMIP)	Yes	Yes	Not found
Zhejiang Huayou Cobalt Co. Ltd.							
22	Indonesia, DRC, Zimbabwe	**70%** (7/10)	Yes	Yes	Yes	Yes	Not found
China Nonferrous Metal Mining (CNMC)							
20	DRC, Zambia, Indonesia, Myanmar, Ecuador	**0%** (0/10)	Yes	Not found	Not found	Not found	Not found
Jiangsu Delong Nickel Industry Company Ltd.							
19	Indonesia	**0%** (0/9)	No	Not found	Not found	Not found	Not found
CMOC Group Limited (formerly China Molybdenum)							
17	DRC, Bolivia, Indonesia	**75%** (6/8)	Yes	Yes	Yes	Yes	Not found
Sinomine Resource Group							
14	Zimbabwe, Namibia	**71%** (5/7)[5]	Yes	Not found	Not found	Not found	Not found
Aluminum Corporation of China Limited (CHALCO)							
12	Guinea, Suriname, Peru	**0%** (0/1)	Yes	Not found	Not found	Not found	Not found
China Minmetals							
12	Peru, DRC, Australia	**29%** (2/7)	Yes (MMG)	Yes (MMG)	Yes	Yes	Partial[6]
Wanbao Mining							
9	Myanmar, DRC	**0%** (0/6)	No	Not found	Not found	Not found	Not found

3 Response rates of subsidiaries are counted towards their parent companies, unless otherwise specified.

4 Human rights policies published by parent companies, unless otherwise specified.

5 Responses from subsidiary Bikita Minerals.

6 HRD mentioned, but no commitment not to tolerate or contribute to attacks.

In line with BHRC's policy, every effort was made to reach out to companies accused of abuse and ask them to respond to allegations made, unless the company has already publicly commented on the case, publicly declined to comment (we publish additional comments provided by companies when volunteered), or if the abuse is the basis of a lawsuit or regulatory action.

Between 2023 and 2025, BHRC made 150 approaches to 40 Chinese companies involved in transition mineral supply chains, inviting them to respond to allegations of abuse. We received 40 responses to these 150 approaches, representing a response rate of 27%, an increase from 2021-2022, which saw a response rate of 18%. The higher response rate is driven mainly by a small group of companies that accounted for most of the responses.

Many of the responses came from recently established ESG departments or dedicated human rights positions (including Zijin Mining, Zhejiang Huayou Cobalt, CMOC Group and MMG's subsidiary Minera Las Bambas), which have taken on responsibility for handling such requests. This is a welcome development – however, progress is limited to a small number of companies.

Despite improvements in responsiveness among Chinese metals and mining companies, their response rate remains substantially below the global average of 36% recorded for the same sector in the same period (2023–2025). The response rate among Asia-based metals and mining companies (excluding China) was 27%, indicating that Chinese companies' rates are broadly comparable to regional peers.

Although several companies have shown greater responsiveness to human rights issues, adopting human rights policies and establishing dedicated ESG or human rights teams, other Chinese mining and metals companies still appear to be turning a blind eye, even as some of their peers begin to catch up with international standards.

Compared with our 2023 analysis, there has been limited progress in new companies adopting human rights policies. IMIP was the only company that progressed from having no policy to adopting its first one. This is unfortunate considering the marked increase in allegations.

Among the top ten Chinese companies associated with the highest number of allegations, only half have a publicly available human rights policy, a concerning finding given that these ten companies account for nearly two-thirds of all recorded allegations. Among the five companies with human rights policies, four are listed on stock exchanges, which may have influenced their decision to adopt such policies. Most of these policies cover the protection of Indigenous Peoples' rights and the establishment of grievance mechanisms.

A publicly available human rights policy is a good first step for companies to express their commitment to meet their responsibility to respect human rights. Companies can benefit by better understanding expectations on addressing human rights concerns during the process. However, as our data suggests, formulating a human rights policy alone does not necessarily mean a company has adequately and effectively implemented the due diligence measures enshrined in the human rights policy document with meaningful consultation with stakeholders. Although the increasing adoption of human rights policies is positive, companies must ensure implementation of these policies across their business operations, including in their subsidiaries and joint ventures.

It is also concerning that the top three companies linked to the highest number of allegations account for more than a third of all allegations – despite all of them having public human rights policies, raising questions about how effectively those policies are being implemented.

The UNGPs state that, in order to respect human rights, companies must adopt human rights policies, due diligence and remediation processes (UNGP 15). The UNGPs specify that human rights policy commitments should be approved at companies' most senior level and that such policies should be publicly available and communicated internally and externally. These measures are essential to embed a rights-respecting culture at all levels of a company.

Qualitative analysis of company responses

Among the 40 responses we received from Chinese companies involved in overseas transition mineral supply chains between 2023 and 2025, **most (90%) were specific responses** rather than general statements. This reflects a significant improvement in specificity and level of detail compared with our 2021 report, when only 50% of responses provided specific responses. The quality of responses could be further strengthened by showing how the issues raised are being actively addressed and remediated, and whether concrete steps are being taken to prevent recurrence.

Chinese companies also appear to be significantly more aware of international standards than in the responses analysed in our 2021 report. More than two-thirds (68%) of responses referenced international standards, a substantial increase from 21% in 2021. However, companies remain more likely to commit to complying with local laws (83%) than with international standards, although this figure has also increased from 75% in 2021.

Corporate accountability and access to remedy

As already noted, opacity remains a feature of transition mineral value chains in which Chinese business actors play a major role. Limitations in the regulatory frameworks of China and host countries, as well as voluntary responsible business initiatives, have undermined corporate accountability and restricted access to effective remedies for affected rights-holders.

Despite sporadic successes in the domestic courts of host countries (for example, in the DRC), where Chinese multinational mining companies and their contractors have reportedly been involved in exploitative labour conditions or union-busting activities, many of the affected groups are still struggling to find effective legal and non-legal channels through which to challenge abusive corporate practices and seek redress.

In 2023, three Chinese migrant workers filed a complaint with the Indonesian National Human Rights Commission (Komnas HAM) regarding poor and unsafe working conditions at Chinese-funded nickel smelters in Indonesia. This followed numerous allegations of worker abuse in the industry that had been documented over the previous few years. Although the complaint prompted an investigation by the national human rights body and attracted public attention, our documentation of the largest number of allegations concerning migrant workers being found in Indonesia between 2023 and 2025 shows that companies have failed to address the systemic labour risks properly. In a separate complaint concerning alleged forced labour and other labour rights violations at PT Huadi Nickel Alloy Indonesia, Komnas HAM confirmed that the company was not complying with Indonesian and international labour standards. Komnas HAM communicated directly with the Indonesian Minister of Manpower, the Chief of the Bantaeng Police, and the company's management regarding the ongoing dispute, and made recommendations.

Communities affected by environmental harm caused by irresponsible business behaviour often face additional challenges due to systemic power imbalances, lengthy legal proceedings, evidentiary and scientific barriers, financial costs and more. Indigenous communities have opposed the proposed Dairi Prima zinc and lead mine in Indonesia due to concerns about its potential devastating environmental impact. The project is backed by China Nonferrous Metal Mining and Chinese state-owned investors. Since 2020, affected communities have pursued various avenues in response, including sending letters to the Chinese Government and banks, engaging with the International Finance Corporation's (IFC) complaint mechanism and taking cases to domestic courts. Although they won a Supreme Court case that challenged flaws in the project's environmental approval, a new permit was issued less than a year later and the dispute remains unresolved.

In Zambia, at least two legal cases have been filed by villagers affected by pollution from the Sino-Metals tailings dam leak in 2025. However, reports also claim that both companies and the police have engaged in surveillance and retaliation against community leaders, journalists and environmental activists in the legal cases and are preventing them from further investigations. This may hinder access to justice and exacerbate the grievances of local communities.

At China's 4th Universal Periodic Review at the UN Human Rights Council in 2024, a record-breaking 15 stakeholder submissions concerning Chinese companies' overseas business operations were submitted by civil society groups. These submissions covered 75 projects. Almost a third (24) of these were related to transition mineral projects in countries such as Argentina, Bolivia, Peru, Indonesia, Guinea and the DRC. This reflects growing concerns over corporate human rights and environmental abuses in high-risk industries, as Chinese overseas investment in these sectors expands.

Civil society groups have called on the Chinese Government to adopt a national law on corporate legal responsibility and access to justice in matters of human rights and the environment that is aligned with international standards. They have also called for the establishment of mechanisms to investigate and sanction overseas business activities that lead to human rights abuses and environmental pollution.

These calls echo the need to address the 'governance gap', which the late Harvard professor John Ruggie identified as a root cause of corporate human rights abuses around the world.

Recommendations

Principles for a just energy transition

Through global consultation with diverse stakeholders, we have developed three key principles which can contribute powerfully to rapid and successful energy transitions to reduce harm to workers and communities and build public support for the transition:

- **Shared prosperity:** Effective business models driving fast transitions will build trust and stability and reduce systemic risk through shared prosperity models that build worker and community rights in companies' operations and supply chains.
- **Human rights and social protection:** Governments and companies have a duty of care to shield workers and communities from harm; to demonstrate due diligence to minimise human rights and environmental risks; and to ensure social protection, retraining and creating new decent work.
- **Fair negotiations:** Communities and workers need guarantees that negotiations will be fair throughout operational life-cycles and when accessing remediation for harm There will be inclusive community consultation and robust implementation of the principles of free, prior and informed consent (FPIC) for Indigenous Peoples; and guarantees that workers, Indigenous and community leaders will not be silenced through intimidation or violence.

Recommendations to governments

(Further targeted guidance and recommendations for governments can be found here.)

- **Pass and enforce mandatory human rights and environmental due diligence legislation** aligned with the UNGPs and OECD Guidelines for Multinational Enterprises, covering extraterritorial obligations, corruption risks and the full mining lifecycle. Develop this through public consultations, including with affected communities, civil society and other stakeholders impacted by Chinese companies operating within and beyond its territories, and embed this as a central pillar of a comprehensive National Action Plan.
- **Ensure that all mineral supply chain regulations and strategic partnerships have an equity dimension and corporate accountability requirements.** Ensure that energy transition-related needs are prioritised for the use of minerals sourced through those regulations and partnerships.

Recommendations to the Chinese Government

- **Ensure access to effective judicial and non-judicial remedy mechanisms for Chinese migrant workers** affected by Chinese companies' operations abroad. These mechanisms must be safe, accessible and free from discrimination and undue barriers. Establish alternative remedy routes for other affected groups impacted by Chinese overseas investments, including Indigenous Peoples, to ensure meaningful access to remedy for all impacted communities.
- **Ensure that the Initiative on Green Mining and Minerals incorporates clear human rights, environmental and corporate accountability requirements**, including enforceable protections for affected communities, Indigenous Peoples and human rights defenders, in line with international human rights standards.

- **Utilise inter-departmental mechanisms to oversee Chinese businesses operating abroad and identify early-warning signals of serious human rights and environmental risks**, in line with the UNGPs. Responsible government bodies should include, but are not limited to: Ministry of Commerce, the State-owned Assets Supervision Agency (SASAC) and its specialised department the Bureau of Overseas State-owned Assets Affairs, the Ministry of Ecology and Environment, the Ministry of Foreign Affairs, and the Ministry of Industry and Information Technology. These mechanisms should systematically collect key information on social and environmental impacts of Chinese companies operating overseas, identify areas of potential governance shortfalls, and issue timely alerts and guidance accordingly.
- **Strengthen monitoring of and guidance to Chinese companies operating in host countries through embassies and consulates**, including their Economic and Commercial Offices, based on evidence gathered from a wide range of sources. They should provide accessible channels for communication and outreach to facilitate dialogue and remediation between Chinese companies and affected communities, civil society, other stakeholders and host country governments where necessary, ensuring that Chinese companies refrain from any actions that could constitute reprisals or strategic lawsuits against public participation (SLAPPs).

Recommendations to governments of host countries

- **Enforce and strengthen laws protecting local communities and Indigenous Peoples' rights** and ensure that standards protecting human rights and the environment are being complied with, give specific consideration to livelihoods, land rights, labour rights, FPIC and human rights defenders. Impose sanctions on abusive business misconduct when necessary.
- **Strengthen judicial and non-judicial mechanisms** to provide effective remediations against business-linked abuses. These mechanisms should be accessible to different affected groups, including Indigenous Peoples and Chinese migrant workers overseas, without discrimination and barriers.
- **Facilitate an informed and inclusive public discussion** and consensus at a national or state level around resource use, before the decision to mine is taken.
- **Ensure that licensing is conditional on meaningful engagement and consent** with workers, communities and Indigenous Peoples.
- **Pass legislation that ensures rightsholders' access to information**, including mining contracts (and their annexes) and impact assessments in an accessible, clear and culturally appropriate manner. Access to information requirements should be clearly communicated to rightsholders and companies.
- **Ensure respect for workers' rights to freedom of association and right to collective bargaining**, and enforce rights through penalties and sanctions for offending companies.
- Accede to or, if already ratified, **fully implement all key international and regional standards that protect the human rights of defenders**, including those raising concerns about harmful business practice, including through adopting anti-SLAPP legislation.
- **Ensure robust human rights protections in domestic legal frameworks**, consistent with international law and standards, including the Aarhus Convention, the Escazú Agreement, UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and the UN Declaration on Human Rights Defenders, and supported by a framework that ensures protection of Indigenous Peoples' right to FPIC, and of the rights to peaceful assembly, freedom of expression and access to information, among others.

Recommendations to companies across mineral supply chains

(Further targeted guidance and recommendations for companies in renewable energy sector can be found here.)

- **Establish human rights and environmental due diligence and responsible sourcing policies and make them publicly available**, indicating responsibilities clearly and in alignment with OECD Due Diligence Guidance for Responsible Business Conduct covering all minerals. (See here a tool to assess current practices and gaps against OECD due diligence guidance.) Support and make use of the Initiative for Responsible Mining Assurance (IRMA) in implementing due diligence. Self-report implementations throughout value chain, with particular attention to issues related to Indigenous Peoples, workers, affected communities and women. Assign Board responsibility for oversight of respect for human and environmental rights.

- **Disclose transparently on human and environmental rights issues faced throughout all supply chains. Disclose traceability and mapping of key mineral supply chains.** Where appropriate, support public disclosure mechanisms that facilitate external monitoring. Engage with other upstream, midstream or downstream operators in other sectors, such as the automotive sector, to improve sector-wide transparency. Introduce traceability requirements that mandate the collection of key information from mineral suppliers. (See examples of how to increase supply chain transparency in BHRC's 2025 Renewable Energy and Human Rights Benchmark.)

- **Undertake meaningful consultations with communities, workers, women, Indigenous Peoples, and other potentially affected groups.** Ensure implementation of FPIC principles before taking investment and operational decisions. Commit to obtaining consent and co-ownership through equal dialogues on shared asset models. Publicly report on consultations with Indigenous communities; ensure they can exercise their right to define the process by which FPIC is achieved and to withhold consent. Communities and workers should be provided with adequate support to facilitate equal negotiations. These processes should be accessible, culturally appropriate, safe and effective.

- **Ensure that the implementation of human rights and environmental due diligence adequately identifies and mitigates gender-specific risks**, including gender-based violence, workplace discrimination and the impacts of pollution on women's health. Acknowledge the disproportionate harms borne by women community members, workers and human rights defenders in transitional mineral mining and processing.

- **Companies operating in or sourcing from conflict-affected and high-risk areas should implement a heightened human rights due diligence framework.** This should include a risk assessment scheme and a risk mitigation plan. Publicly disclose any identified risks, the names of qualified smelters/refiners and the verified outcomes of remediation. (Refer to CCCMC's Due Diligence Guidelines for further details)

- **Establish effective communication and grievance mechanisms** for potential or actual human rights or environmental impacts. Enable project-level non-judicial grievance mechanisms that could provide stakeholder-centred remediation for human rights harms. Incorporate clauses regarding remediation of human rights harms in contracts with suppliers.

Recommendations to industry associations

- **Support companies in aligning with international standards** such as the UNGPs and the OECD Guidelines, and in applying best practices set out in frameworks such as IRMA and EITI. This support should include sector-specific guidance, awareness-raising and capacity-building activities on effective human rights and environmental due diligence. Formal monitoring mechanisms should also be established to assess implementation across the transition mineral supply chain.
- **Strengthen stakeholder engagement and communication** by building long-term partnerships with civil society organisations and rightsholders, particularly women and Indigenous Peoples in host countries, to facilitate ongoing dialogues on the social and environmental impacts of Chinese outbound mining investment, including discussion of both challenges and good practices.
- **Improve accessibility and transparency** by translating relevant guidelines into local languages and disseminating them systematically to stakeholders and affected communities.
- **Ensure that existing mechanisms, such as the CCCMC's mediation and consultation mechanism, are effectively operationalised and adequately resourced.** Make sure that these mechanisms are accessible, transparent and guided by clear timelines so that they can effectively facilitate dialogues and investigate concerns raised by individuals and communities affected by the negative impacts of Chinese overseas operations.

Recommendations to investors and financial institutions

(Further targeted guidance and recommendations for investors in the renewable energy sector can be found here.)

- **Adopt board-level policies and stewardship practices** aligned with the UNGPs and OECD Guidelines, treating mining-related human rights and environmental harms as systemic risks and setting clear expectations for investees and value chain companies.
- **Conduct ongoing, independent human rights and environmental due diligence throughout the lifecycle of all mining and renewable energy projects,** including screening investees' track records and identifying risks beyond certifications or ESG data alone.
- **Engage meaningfully** with affected communities, women, workers, and human rights defenders, and require respect for Indigenous Peoples' right to **free, prior and informed consent (FPIC**).
- **Use individual and collective investor leverage** to encourage companies to prevent and address harm. Support stronger mandatory human rights and environmental due diligence requirements, as well as protections for civic freedoms. Disclose engagement strategies, and treat divestment as a last resort after repeated failures to ensure the investee respects human rights
- **Require investees to establish effective, culturally appropriate and accessible grievance mechanisms** throughout the project lifecycle. **Support remediation** where investments are linked to adverse impacts, including the establishment of institutional grievance mechanisms in banks and among other investors.

Business and Human Rights Centre

Business and Human Rights Centre is an international NGO which tracks the human rights impacts of over 10,000 companies in over 180 countries, making information available on our 10-language website.