



Primer

10 Human Rights Priorities for the Extractives Sector

Authored by Elisa de Magalhães and Kindra Mohr

Introduction

The extractives sector is entering a period of profound change. Rising demand for transition minerals, geopolitical competition, the climate crisis, automation, and AI are reshaping where and how projects are financed, developed, operated, and closed. These shifts create significant opportunities, but they can also intensify pressure on workers, communities, Indigenous Peoples, land, water, and livelihoods.

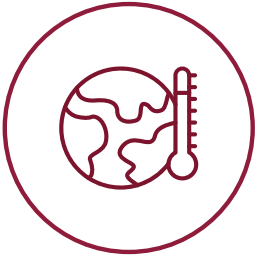
When human rights risks are poorly managed, the consequences can be severe and sometimes irreparable for people. They can also disrupt operations, delay projects, expose companies to legal and regulatory action, weaken stakeholder relationships, and undermine long-term value. Respect for human rights must therefore be embedded in the decisions that shape an asset's full lifecycle, from market entry and capital allocation to project design, procurement, operations, transition, closure, and remedy.

Drawing on BSR's direct engagement with extractive companies for over three decades, this brief identifies ten priority issues for the sector. It also recommends three cross-cutting actions:

- 1. Integrate human rights and environmental due diligence across the asset lifecycle.**
- 2. Put meaningful rightsholder engagement at the center of project and transition decisions.**
- 3. Strengthen access to remedy and shared accountability across business relationships.**

Together, these actions can help companies identify risks earlier, prevent and address harm, improve decision-making, and build more resilient relationships with workers, communities, Indigenous Peoples, governments, and business partners.

Top 10 Human Rights Priorities for the Extractives Sector



1 - Environment, Climate, and Nature

Across the asset lifecycle, extractive activities can affect rights to a healthy environment, water, sanitation, health, and an adequate standard of living, as well as Indigenous Peoples' distinct rights concerning their lands, territories, and resources.

Although the extraction of critical minerals is a key part of building the technology needed to transition to a low-carbon economy, extractive processes are major contributors to greenhouse gas emissions. These processes are often water-intensive and have a history of spills and leakages that have damaged water systems, degraded soil, and led to fatalities. These environmental impacts can compound with other risks, particularly for communities that depend on land, biodiversity, and other natural resources.

Many extractive operations today require permitting and regulatory approvals. Overlooking environmental, climate, and social risks often lead to operational delays, community opposition, and stranded assets.



2 - Labor Rights and Working Conditions

Extractives work can often cause hazardous working conditions, serious accidents, and even fatalities. In addition to occupational health and safety risks, many employees have experienced excessive working hours and inadequate wages. In some contexts, workers may face unsuitable or unsafe living conditions.

Recent trends have seen a greater dependence on contract workers for activities such as construction and maintenance. Workers in lower-skilled roles or on short-term contracts may face insecure employment, inadequate wages and benefits, insufficient rest periods, and excessive working hours.

In a traditionally male-dominated industry, women working in extractives commonly report facing discrimination in hiring and at work, and harassment in the workplace.

Preventing workplace injuries, excessive hours, discrimination, and harassment can reduce operational disruption and workforce instability while supporting recruitment, retention, and productivity.



3 - Modern Slavery and Child Labor

The extraction of critical minerals is primarily concentrated in high-risk countries where labor protections and rule of law are generally weaker. Increasingly, reports link various raw materials and transition minerals with the use of child and forced labor. Mining of cobalt has been associated with child labor risks in conflict-affected and high-risk areas. Forced labor has also been a concern in the mining of copper, cement, and zinc. Construction and other phases along the asset lifecycle may rely heavily on migrant labor and contract and sub-contract workers, who are particularly vulnerable to modern slavery risks.

As expectations from governments, customers, investors, and civil society continue to increase, identifying and addressing modern slavery risks helps strengthen supply chain resilience, protect market access, and reduce legal and reputational exposure.



4 - Impacts on Local Communities

Extractive operations can transform local economies and systems. An influx of workers may put pressure on housing, public services, and the cost of living. Many extractive sites, particularly those in remote areas, have been associated with increases in alcoholism, drug use, gender-based violence, and human trafficking in neighboring communities. While operations can bring economic opportunities, many local communities experience skills gaps that make it difficult to access higher-paying and permanent work. These dynamics can lead to an increase in inequality and heighten risks for those who are already marginalized.

Most extractive operations require some form of land acquisition, particularly for new and expanding assets. Impacts on land rights may also have taken place historically and are known as legacy impacts. These may include unfair or insufficiently negotiated land acquisition, displacement of communities, and changes in land use and access to land for farming, grazing, cultural heritage, or forest resources. Land acquisition may result in physical or economic displacement, especially where customary or collective tenure is not legally recognized.

In many mineral-producing regions, industrial mining operations coexist with artisanal and small-scale mining (ASM). Company operations most commonly interact with ASM through ASM miners accessing company concessions, interactions between ASM miners and security forces, and shared use of natural resources (e.g., land, water). These interactions can create risks to safety, security, livelihoods, and land.

Strong relationships with communities support operational continuity, reduce the risk of conflict and project delays, and strengthen the long-term social license to operate.



5 - Security and Conflict-Affected Contexts

Extractives companies often rely on public or private security to protect workers, facilities, transport routes, and assets. Risks are heightened in conflict-affected and high-risk areas, where operations may intersect with armed groups, contested resource revenues, weak institutions, repression, or attacks on human rights and environmental defenders. Respecting human rights in security arrangements helps prevent conflict, protect workers and communities, and maintain stable operating environments in complex contexts.



6 - Indigenous Peoples' Rights

Exploration, extraction, infrastructure, and closure can restrict access to land, water, grazing areas, forests, fisheries, cultural heritage, and other resources. Indigenous Peoples have been subjected to social exclusion and large-scale expropriation of their land and resources for many years, and they continue to be impacted by business activities in their territories and ancestral lands. Adverse impacts including displacement, environmental damage, loss of cultural heritage, disruption of traditional practices, violence, and exclusion from decisions and benefits have been well documented.

Early and meaningful engagement with Indigenous Peoples and other affected rightsholders strengthens project certainty, improves decision-making, and reduces the risk of disputes, delays, and litigation.



7 - Ethical Business Practices

All companies are exposed to corruption risks, especially those operating in countries with weak rule of law. For extractive companies, human rights risks may be heightened in relationships with state-owned enterprises, intermediaries, joint-venture partners, politically exposed persons, suppliers, or security actors.

Corruption and bribery profoundly impact vulnerable communities, either by misdirecting funds that could be spent on health care, education, or other public goods, or by preventing participation in the democratic process..

Responsible resource governance also requires transparent and equitable benefit sharing, meaningful participation in decisions about development, and attention to whether social investment programs reach marginalized groups.

Transparent and accountable business practices strengthen trust with governments, investors, communities, and business partners while reducing legal, operational, and reputational risks.



8 - AI-Related Risks

Extractive companies increasingly use AI and data-driven technologies for exploration, production planning, autonomous equipment, predictive maintenance, safety monitoring, security, worker management, and corporate functions. These tools may improve safety and efficiency, but they can also create or exacerbate risks to privacy, non-discrimination, livelihood, autonomy, freedom of association, and access to remedy. Continuous monitoring of workers may become intrusive surveillance; biased or unrepresentative data may produce discriminatory hiring, scheduling, or performance decisions; automation may displace workers and deepen inequalities; and opaque systems may make it difficult to challenge decisions or assign accountability.

Companies should inventory AI use cases, carefully review high-risk applications, conduct ongoing human rights due diligence, establish cross-functional governance, define purpose and use limitations, protect personal data, test for known risks and foreseeable misuse, ensure meaningful human oversight, explain systems to affected people, and integrate worker and community feedback before and during deployment.

Responsible AI governance helps companies realize the benefits of emerging technologies while strengthening trust, reducing unintended harms, and supporting innovation that is aligned with a human rights-based approach.



9 - Just Transition

The transition to a low-carbon economy creates distinct human rights risks and opportunities for extractive companies. Extractive companies are essential to many clean energy technologies, while fossil fuel and other assets may face transformation, decline, or closure. Decisions about new mines, decarbonization, automation, restructuring, and closure can affect a range of rightsholders, particularly workers and communities. For example, workers may face elimination of their roles and dislocation due to changing operations. Communities, and Indigenous Peoples in particular, may face new pressures on land, water, livelihoods, and cultural heritage due to the rapid expansion of transition-mineral extraction. Without careful planning and meaningful engagement, the benefits and burdens of the transition may be distributed inequitably, exacerbating existing inequalities and creating new risks to workers, Indigenous Peoples, and affected communities.

A people-centered transition strengthens long-term resilience by helping companies anticipate social risks, maintain stakeholder trust, and support lasting value for workers, communities, and shareholders.



10 - Grievance Mechanisms and Remedy

Access to remedy is both a distinct human rights issue and an enabling condition for the protection of other rights. Denial of remedy can allow underlying harms, such as impacts on the environment, livelihoods, health, or privacy, to continue or deepen without accountability or redress.

For extractive companies, this is particularly important because operations often have long-term relationships with workers, communities, and Indigenous Peoples, and projects can create complex and cumulative impacts over many decades. Grievances may also relate to historical or legacy impacts, involve multiple companies or government actors, or arise in contexts where access to effective state-based remedy is limited.

Effective operational grievance mechanisms help companies identify adverse impacts before they escalate into conflict, strengthen relationships with rightsholders, and can provide timely and appropriate remedy where companies have caused or contributed to harm. Mechanisms should be accessible to workers, contractors, communities, Indigenous Peoples, and other affected rightsholders, including groups that may face barriers to raising concerns or risks of retaliation. Depending on the context, independent or multistakeholder mechanisms may complement operational mechanisms, particularly where impacts involve multiple actors or greater independence is needed to build trust. Importantly, grievance mechanisms can provide a critical pathway to remedy where other options are inaccessible or ineffective. Effective remedy can take many forms but fundamentally should respond to the nature and severity of the harm and be informed by engagement with affected rightsholders.



Top Three Priorities for Company Action



Conduct Integrated Human Rights and Environmental Due Diligence Across the Asset Lifecycle

Companies can strengthen decision-making by assessing impacts on people and the environment in an integrated way, from market entry and exploration through closure and post-closure. This includes embedding findings into governance, investment decisions, project design, procurement, operational controls, transition planning, and remedy. Heightened due diligence should be used in conflict-affected contexts and where impacts may be severe or irreversible.



Make Rightsholder Engagement Central to Projects and Transition Decisions

Meaningful engagement with workers, unions, Indigenous Peoples, local communities, human rights defenders, and other rightsholders can reveal risks that are not visible through technical assessments alone. Engagement should begin before key decisions are made, continue throughout the asset lifecycle, be inclusive and culturally appropriate, and demonstrate how stakeholder input influenced outcomes. In transition and closure contexts, companies should support social dialogue and locally led planning for long-term resilience.



Build Effective Remedy and Shared Accountability

Companies can contribute to stronger remedy ecosystems by improving operational grievance mechanisms, cooperating with judicial and non-judicial processes, addressing retaliation risks, and using leverage with joint ventures, contractors, suppliers, security providers, and governments. Learning from grievances and remedy outcomes should feed back into prevention, governance, technology deployment, and project design. Cross-company and multi-stakeholder collaboration can help address cumulative impacts and systemic issues that no single company can solve alone.



About BSR® (Business for Social Responsibility®)

BSR® is a sustainable business network that provides global insights, strategic advisory services, and collaborations to nearly 250 member companies in Asia, Europe, and North America. BSR® helps its members to see a changing world more clearly, create long-term value, and scale impact.

All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher, except in the case of brief quotations embodied in critical reviews and certain other noncommercial uses permitted by copyright law.

BSR is a US 501(c)3 nonprofit organization, with staff and offices around the globe to support our members.

Copyright © 2026 by Business for Social Responsibility (BSR)