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From CSR to lasting impact: The changing face of responsible mining in India

India's mining sector is shifting toward community empowerment. Through DMFs and C miners invest in local health, education, and jobs to build trust and secure their social lic to operate.

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For decades, India's mining industry generated enormous wealth, but much of it flowed away from the districts where extraction took place. Iron ore, coal, zinc and bauxite powered industries and government revenues, yet many mining-affected regions continued to struggle with poor healthcare, weak educational outcomes, limited livelihood opportunities and inadequate infrastructure.

Successful miners of the future may be those that create lasting improvements in livelihoods, education, healthcare and local economic opportunity alongside mineral production.

The result was a growing recognition that communities living closest to mines were often not sharing proportionately in the benefits of the resources beneath their feet.

That imbalance has increasingly become a business concern. Delays arising from local opposition, land disputes and social tensions can significantly affect project economics. As a result, community development is increasingly being integrated into business strategy, risk management and long-term sustainability. In many ways, it has become an essential component of maintaining a social licence to operate.

A major policy shift came with the Mines and Minerals (Development and Regulation) Amendment Act, 2015, which introduced District Mineral Foundations (DMFs). Funded through mandatory contributions from mining lease holders, DMFs are intended to channel mining revenues back into affected communities through investments in healthcare, education, drinking water, sanitation and livelihoods. According to the Ministry of Mines, DMFs had collected over ₹1.28 lakh crore as of April 2026.

The growing importance of community development also reflects the changing role of mining in India's economic ambitions. As the country seeks to strengthen mineral security and support the energy transition through greater domestic production of critical and industrial minerals, maintaining community trust and ensuring that local populations benefit from resource development will become increasingly important.

Mining-affected districts are often home to some of India's most vulnerable populations, including tribal communities that depend heavily on land, forests and water resources. As mining activity expands to support the country's infrastructure ambitions and energy transition, ensuring that these communities participate meaningfully in the benefits of resource development will be critical to sustaining public trust and long-term project viability.

Among private-sector miners, Hindustan Zinc has emerged as one of the more visible examples of how companies are attempting to translate these objectives into long-term development programmes. According to its FY2026 Integrated Annual Report, the company invested ₹278.15 crore in community development initiatives during the year, positively impacting around 2.6 million lives across 4,149 villages.

Its interventions span livelihoods, women's empowerment, water security, education, healthcare, sports and community infrastructure, with a stated focus on creating pathways for long-term economic mobility and reducing gender disparities. Beyond essential services, the company has also invested in youth development through initiatives such as the Zinc Football Academy, which nurtures sporting talent from rural Rajasthan while creating opportunities for professional training, education and broader social inclusion.

Its flagship Nand Ghar programme has also expanded significantly, with

4,679 centres supporting child nutrition, early learning and women's empowerment across rural communities.

Hindustan Zinc says its community development approach is increasingly aligned with globally benchmarked social performance standards through its membership of the International Council on Mining and Metals (ICMM).

Public-sector miner NMDC offers another example. Operating in Chhattisgarh's Bastar region since 1968, the company has invested around ₹1,400 crore in CSR activities in the state over the past decade. Its initiatives span scholarships for tribal students, support for government schools, healthcare services and local infrastructure development, alongside direct and indirect employment generation.

Similar trends are visible across the wider mining and metals sector. Through the Tata Steel Foundation, Tata Steel has built community programmes spanning education, healthcare, livelihoods, water management and tribal development across mining-affected regions of Jharkhand and Odisha. The Foundation's work reaches more than 1.5 million people annually, reflecting the increasing scale at which mining-linked community development is being pursued.

Public-sector miners are also expanding their footprint in community development. Coal India and its subsidiaries undertake programmes in healthcare, education, drinking water, sanitation, skill development and rural infrastructure across coal-bearing districts. Such initiatives underscore how community investment is increasingly viewed as an integral part of responsible mining rather than a peripheral CSR activity.

Increasingly, mining companies are also focusing on creating local economic ecosystems rather than relying solely on welfare-oriented interventions. Skill development, local procurement, women-led enterprises and community entrepreneurship programmes are being used to create sustainable sources of income that can endure beyond the life of individual mining projects. This reflects a broader shift from grant-based support towards long-term economic empowerment.

While such initiatives demonstrate the growing commitment of mining companies towards community development, challenges remain. Independent assessments continue to highlight uneven utilisation of DMF funds, delays in project execution and concerns over whether spending consistently reaches the communities most affected by mining. To address these issues, the Ministry of Mines launched the Aspirational DMF Programme in 2025, aligning mining-related development spending with broader efforts to improve outcomes in underserved districts.

Globally, mining jurisdictions such as Australia and Canada have moved beyond traditional CSR models towards community benefit agreements, local procurement commitments and structured revenue-sharing mechanisms. India has begun moving in that direction, but the next phase will require stronger accountability, better measurement of outcomes and greater community participation.

The future of mining in India may depend as much on the quality of community outcomes as on the quantity of minerals produced. As expectations around sustainability, inclusion and responsible resource development continue to rise, mining companies will increasingly be judged not only by what they extract from the ground, but also by what they leave behind in the communities that host their operations.

Successful miners of the future may be those that create lasting improvements in livelihoods, education, healthcare and local economic opportunity alongside mineral production.

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