



DRIVING HUMAN RIGHTS DUE DILIGENCE

EXTRACTIVE SECTOR - A UNION GUIDE

SÉVERINE PICARD • PROGRESSIVE POLICIES



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INTRODUCTION

IndustriALL Global Union and industriAll Europe have launched a two-year joint project to empower their affiliates to use human rights due diligence (HRDD) as a tool to defend workers' rights. The project focuses on creating practical guidance for trade union representatives in multinational enterprises (MNE), taking into account the specific challenges of supply chains in their sectors. This is an important, though not final step to advance a shared strategic approach to promoting workers' rights, international solidarity and responsible business conduct, as well as agreeing on the way forward for our joint HRDD work.

This sectoral guidance highlights the risks faced by workers in the extractive sector. It is intended to be used alongside an introductory guide, which offers practical recommendations for understanding and implementing HRDD. The suggestions presented here have been thoroughly discussed with IndustriALL Global Union and industriAll Europe members, including during a workshop held in Brussels in December 2024.

This guidance focuses on company-level strategy. Policy advocacy, while critical - particularly for governments to ratify international standards and implement labour rights - is outside the scope of this project.

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HRDD aims to embed respect for human rights throughout the entire business value chain. This process involves several steps, ranging from formally integrating responsible business conduct into corporate risk management systems to reporting on how the risks have been addressed.

WHO IS THIS GUIDE FOR?

This guide is intended for company-level trade unions operating at all levels of a global value chain (GVC). Depending on their level of influence—which is largely shaped by the strength of applicable legal frameworks—trade unionists can apply different types of leverage. For example, trade unions based at European headquarters can use their position to influence standards across business operations and ensure that workers in other regions have a voice. Conversely, local unions representing workers in the supply chain can feed information to headquarter unions with a view to accurately assess the severity and frequency of risks to workers' rights.

In concrete terms, companies that are the end users of raw materials (e.g. original equipment manufacturers and Tier 1 manufacturers in the automotive sector) sit at the top of long GVCs which all start with the extraction of minerals. Where labour issues cannot be solved locally, unions representing workers in local suppliers may request that trade unions in customer companies advocate for responsible practices.

The overall goal is to coordinate trade union influence at multiple levels to improve standards within the own operations of a multinational enterprise and those of its business partners, thereby contributing to a fairer competitive environment globally and curbing the race to the bottom.

1. CURRENT HRDD PRACTICES

HRDD in the extractive sector is not a new concept. Given the high risks in this sector, multinational enterprises (MNE) have indeed been subject to sector-specific regulations for several years. However, IndustriALL Global Union and industriALL Europe observe significant differences between trade unions in Europe, which are more familiar with the practical application of the concept, and those in the Global South, where HRDD standards are still far from being a reality.¹

Examples of applicable standards include the OECD *Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (2021)*. This guidance was introduced to address the serious human rights and governance risks linked to mineral sourcing. On the mandatory side, the EU Conflict Minerals Regulation (2017/821) obliges importers of tin, tantalum, tungsten and gold (3TG) to trace and report the origin of these minerals and to establish due diligence systems aligned with the OECD Guidance. Similarly, in the United States, Section 1502 of the Dodd-Frank Act requires companies sourcing 3TG minerals from the Democratic Republic of Congo and neighbouring states to investigate their supply chains and file annual disclosures with the US Securities and Exchange Commission (SEC).

These sector-specific regulations are now being reinforced by binding cross-sector standards, such as the EU Corporate Sustainability Due Diligence Directive and national due diligence laws.

In practice, this means many **MNEs in the sector have already developed risk-mapping processes and action plans to address identified risks**. As part of this project, IndustriALL Global Union and industriALL Europe affiliates carried out a detailed assessment of HRDD processes in key extractive MNEs. The overall conclusion was that significant gaps remain and the full potential of HRDD is far from being realised.

Key weaknesses include:

- **Transparency** – limited information on employment in own operations, with little or no data on suppliers and their workers
- **Risk identification** – generic and insufficiently detailed, making it hard to assess the severity and frequency of violations to workers' rights. Data on countries, numbers, and types of cases is often missing
- **Action plans** – often vague, industry-led, and developed without union involvement. They may rely on self-assessment, typically focusing more on the company's own operations than on suppliers

Addressing these weaknesses requires trade unions to take an active role in monitoring employment across the GVC and negotiating meaningful improvements. Initially, considerable effort may be needed just to collect basic information on where business is conducted and how many workers are involved.

¹ <https://www.industriall-union.org/african-trade-unions-push-for-hrdd-in-green-minerals-surge>.

2.

THE GLOBAL VALUE CHAIN IN EXTRACTIVES

A GVC encompasses every stage of the process that brings goods, from the extraction of raw materials to the delivery of finished products to consumers. Mineral extraction sits at the top of the value chain for many manufactured products, providing essential inputs for industries like metals and automotive.

For this guidance, the basic steps of a GVC involving extractives can be summarised as follows:

- **Extraction of raw materials:** mining, quarrying, or fossil fuel extraction (Tier 4 suppliers and above)
- **Processing:** smelting and refining (Tier 3 suppliers)
- **Manufacturing of semi-finished products** that are then used as inputs into a wide range of industries, like automotive (Tier 2 suppliers)
- **Manufacturing of complex components** (Tier 1 suppliers)
- **End users** (for example original equipment manufacturers)

Overall, it is important to note that the GVCs are highly fragmented, spanning over multiple countries across different stages of extraction, processing and manufacturing. For instance, while extraction is concentrated in resource-rich countries, the processing and refining of raw materials is often done in other continents with cheap and abundant energy sources.

The remainder of this guidance focuses on extraction of raw materials. Further information on the risks and strategies associated with processing and manufacturing of semi-finished products can be found in the sectoral guidance for base metals. Details on manufacturing of complex components and end users in the automotive industry can also be found in a dedicated guidance.

MAIN MATERIALS

Fossil fuels

Historically, the largest share of extractive activity has been in oil, gas and coal, which remain critical for energy and industrial use. According to OECD statistics, top country exporters of fossil fuels include Saudi Arabia (crude oil), USA (crude oil, gas and coal), Australia (coal) and South Africa (coal).

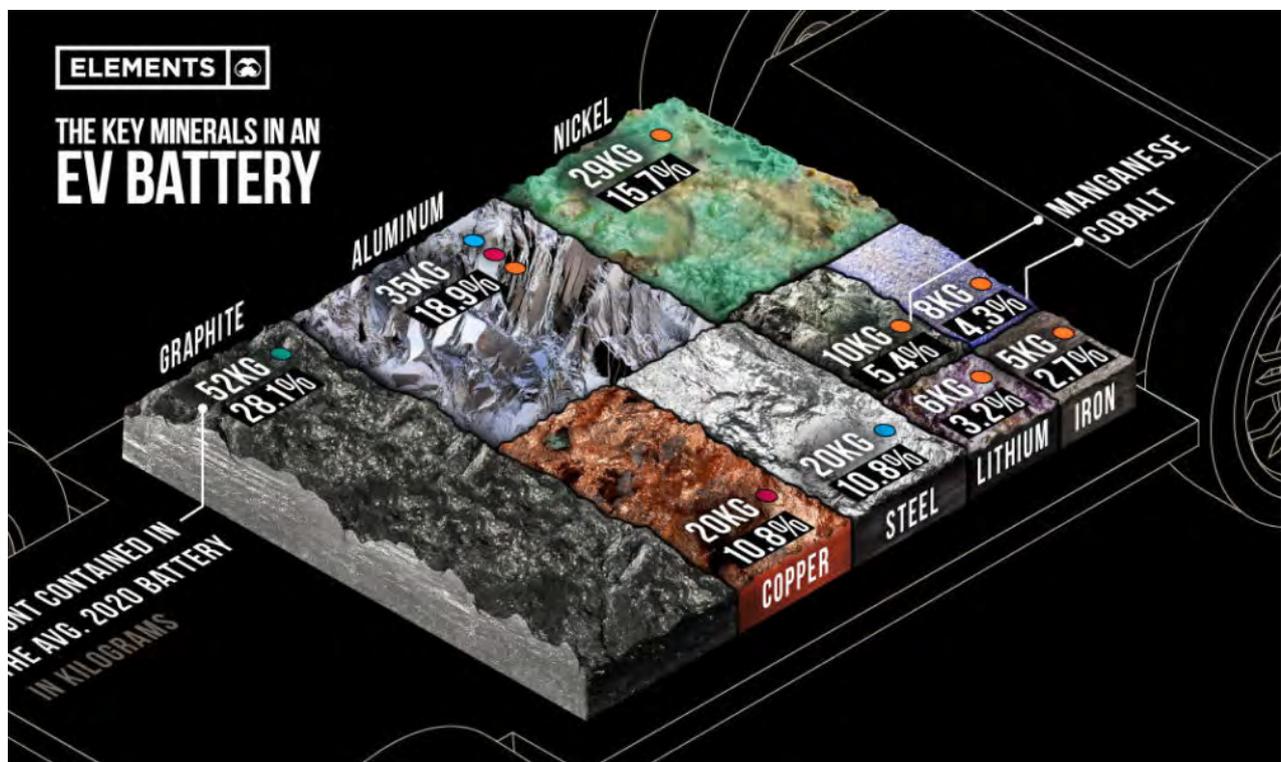
However, climate change is driving profound structural changes. While fossil fuel extraction may decline in the coming decades, mineral extraction is expanding rapidly, particularly in response to the global energy transition and the shift to a low-carbon economy.

Energy transition minerals

The shift towards renewable technologies and electrification is accelerating demand for so-called battery minerals. According to the World Bank, global demand for minerals such as lithium, cobalt, nickel and graphite is expected to grow more than tenfold over the next decade. These minerals are crucial to produce batteries, electric vehicles and renewable energy technologies.

In some countries, such as the Democratic Republic of Congo (DRC), revenues from mineral exports have already surpassed those from oil and gas, attracting significant foreign investment and rapidly accelerating mining activity. Aside from the DRC, top producers of energy transition minerals include Peru, China, Chile, Indonesia, Canada and USA (see Figure 2 below).

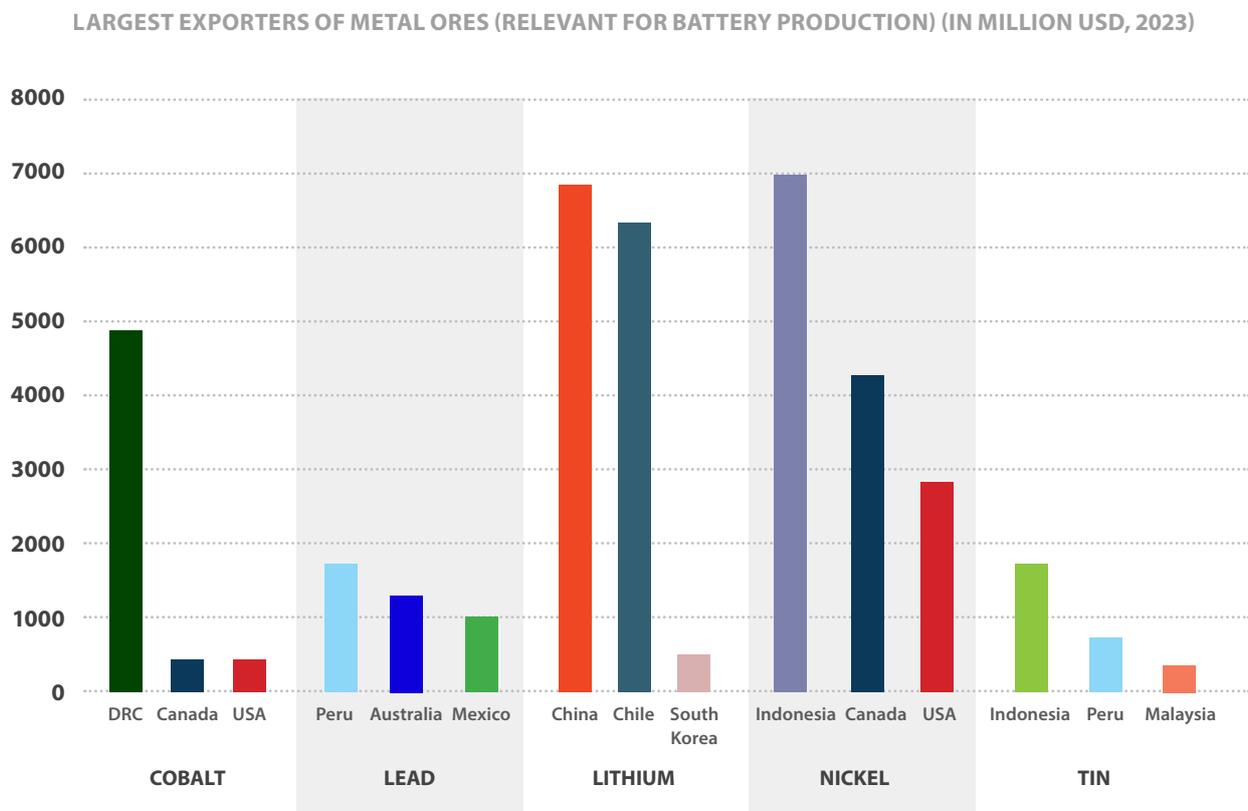
Figure 1 battery components of EV battery. Source: Elements



Other key minerals

Beyond fossil fuels and energy transition minerals, the extractive sector also includes minerals used in jewellery and broader manufacturing industries, such as iron, gold and silver. The top producer countries of iron ores are Australia, Brazil and South Africa.

Figure 2 Largest exporters of energy transition minerals (Source: Own elaboration on the basis of OECD Stats 2023)



3. OVERVIEW OF RISKS TO WORKERS

As described in the introductory guide, a key aspect of HRDD is risk mapping. This step requires that the company maps its business operations with a view to gauging the nature and scale of risks to human rights. Trade unions should review this mapping to ensure that it is robust enough to identify the type, frequency and severity of risks to workers.

The development of the mining industry, particularly in battery production, raises strong socioeconomic and environmental concerns. In relation to workers’ rights, IndustriALL Global Union and industriAll Europe members have highlighted the following risks:

- ▶ **No recognition of trade union rights**, especially in regions where ILO conventions have not been ratified. Even where they have, social dialogue is often weak and unproductive
- ▶ **Unjust transitions**, where coal production sites are closed without measures to support affected workers, resulting in job losses without compensation

- ▶ **Serious occupational safety and health (OSH)** risks, including exposure to falls, heat, explosions and noise
- ▶ **Precarious employment**, characterised by the proliferation of short-term contracts and increased outsourcing
- ▶ **Low wages and exploitative working conditions**
- ▶ **Gender-based violence and harassment**

These risks are further compounded by the involvement of small-scale or artisanal mining operators, where it is difficult to ensure compliance with labour standards and external factors, such as operations in conflict zones.

Artisanal mines and mining cooperatives exacerbate labour risks due to high levels of informality and limited monitoring or enforcement of working conditions. Basic employment records such as timesheets and payslips often do not exist. Cooperatives also pose unique challenges in terms of employment status: workers are frequently classified as co-owners or self-employed, and therefore fall outside the protection of labour laws.

In **regions affected by armed conflict**, like the eastern DRC or the Sahel, workers face violence from armed groups or security forces and operate in areas largely beyond the rule of law. This leads to heightened risks of child and forced labour, extortion and severely unsafe working conditions.

Overall, workers pay a double price when the labour impact is paired with environmental harm to their communities.

Table 1 Common mining issues by deposit type (Source: Electronics Watch, 2024)

COBALT				
DEPOSIT TYPE	ENVIRONMENTAL	OHS	SOCIAL ISSUES	CASE STUDIES
Oxide *typically mined as by-products of copper mines	Cobalt oxide ore often in association with radioactive isotopes of cobalt	<ul style="list-style-type: none"> ▶ Cases of child labour reported in Democratic Republic of Congo ▶ PPEs against radiation not supplied ▶ Dust inhalation and respiratory problems 	(see issues with copper sulphides)	Artisanal mining in Katanga Province (DRC)
Laterite (limonite/goethite) *typically by-products of nickel laterite	(see issues with nickel laterites)	(see issues with nickel laterites)	(see issues with nickel laterites)	(see issues with nickel laterites)
Sulphide *typically by-products of nickel sulphides	(see issues with nickel sulphides)	(see issues with nickel sulphides)	(see issues with nickel sulphides)	(see issues with nickel sulphides)
Deep sea deposits	Known and unknown marine impacts	Lack of oversight in open water processing vessels	Lack of consultation with pacific and other maritime indigenous people	Clarion Clipperton Zone nodule mining by The Metals Company (Nauru/Canada)

COPPER				
DEPOSIT TYPE	ENVIRONMENTAL	OHS	SOCIAL ISSUES	CASE STUDIES
Sulphide (chalcopyrite)	<ul style="list-style-type: none"> ▶ Close association with arsenic ▶ Large-scale mining with massive footprints ▶ Large tailings storage facilities ▶ Excess use of water resources 	<ul style="list-style-type: none"> ▶ Long vertical mines ▶ Large-scale mining involving explosives ▶ Dust inhalation and respiratory problems 	<ul style="list-style-type: none"> ▶ Large scale mining often associated with land disputes ▶ Lack of Free Prior Informed Consent with indigenous peoples 	<ul style="list-style-type: none"> ▶ Copiapó Mine (Chile) ▶ Llurimagua Mine (suspended before exploitation/Ecuador)
GOLD				
DEPOSIT TYPE	ENVIRONMENTAL	OHS	SOCIAL ISSUES	CASE STUDIES
	<ul style="list-style-type: none"> ▶ Excessive water use* ▶ Massive amounts of mine tailings in large-scale mines ▶ Use of hazardous chemicals for extraction ▶ Can have close association with arsenic 	<ul style="list-style-type: none"> ▶ Lack of oversight regarding use of hazardous materials ▶ Dust inhalation and respiratory problems 	<ul style="list-style-type: none"> ▶ Lack of Free Prior Informed Consent with indigenous peoples ▶ Land/water rights disputes ▶ Can have association with “conflict minerals” in DRC ▶ Cases of child labour also reported in artisanal mining 	<ul style="list-style-type: none"> ▶ Porgera Mine (PNG) ▶ Ok Tedi Mine (PNG) ▶ Artisanal mining in the Philippines ▶ Artisanal mining in DRC
IRON				
DEPOSIT TYPE	ENVIRONMENTAL	OHS	SOCIAL ISSUES	CASE STUDIES
Oxide (magnetite/hematite)	<ul style="list-style-type: none"> ▶ Tend to be large-scale with massive footprints ▶ High association with iron sulfide (pyrite/fools gold) as sources of acid mine drainage ▶ Massive tailings storage facilities ▶ Tailing dam collapse 	<ul style="list-style-type: none"> ▶ Long vertical mines ▶ Large-scale mining involving explosives ▶ Tailing dam collapse ▶ Dust inhalation and respiratory problems 	<ul style="list-style-type: none"> ▶ Large scale mining often associated with land disputes ▶ Lack of Free Prior Informed Consent with indigenous peoples ▶ Tailing dam collapse 	<ul style="list-style-type: none"> ▶ Germano Mine, Córrego do Feijão (Brazil)
LITHIUM				
DEPOSIT TYPE	ENVIRONMENTAL	OHS	SOCIAL ISSUES	CASE STUDIES
Brine	<ul style="list-style-type: none"> ▶ Excessive use of water resources (1.9 million litres of water for 1 metric ton of lithium) 	<ul style="list-style-type: none"> ▶ Lack of oversight due to remote locations 	<ul style="list-style-type: none"> ▶ Lack of Free Prior Informed Consent with indigenous peoples ▶ Land/water rights disputes 	<ul style="list-style-type: none"> ▶ Salinas Grandes (Argentina)

NICKEL				
DEPOSIT TYPE	ENVIRONMENTAL	OHS	SOCIAL ISSUES	CASE STUDIES
Laterite (limonite/saprolite)	<ul style="list-style-type: none"> ▶ Close association with chromium/cr-6 ▶ Necessitates open pit mining and deforestation 	<ul style="list-style-type: none"> ▶ Inhalation of heavy metal components through dust 	<ul style="list-style-type: none"> ▶ Open pit and large scale mining is often associated with land disputes ▶ Lack of Free Prior Informed Consent with indigenous peoples 	<ul style="list-style-type: none"> ▶ Rio Tuba Nickel Mine (the Philippines) ▶ Sorowako Nickel Mine (Indonesia)
Sulphide	<p>Many existing mines are large-scale with massive footprints</p>	<ul style="list-style-type: none"> ▶ Long vertical mines ▶ Large-scale mining involving explosives ▶ Dust inhalation and respiratory problems 	<ul style="list-style-type: none"> ▶ Large scale mining often associated with land disputes ▶ Lack of Free Prior Informed Consent with indigenous peoples 	Norilsk Nickel (Russia)

TIN				
DEPOSIT TYPE	ENVIRONMENTAL	OHS	SOCIAL ISSUES	CASE STUDIES
Oxide (cassiterite) <i>*high association with other metals such as tantalum, tungsten, iron and copper</i>	<ul style="list-style-type: none"> ▶ Tin existing in association with pyrite frequently causes acid mine drainage 	<ul style="list-style-type: none"> ▶ Artisanal mining often involves little protection for workers ▶ Dust inhalation and respiratory problems 	<ul style="list-style-type: none"> ▶ Artisanal tin mines in the Democratic Republic of Congo associated with "conflict minerals" ▶ Lack of Free Prior Informed Consent with indigenous peoples 	Santa Fe Mine (Bolivia)

4. WHERE TO START? SUGGESTED PRIORITIES FOR RISK MAPPING

Faced with a long and fragmented GVC, trade unions may feel overwhelmed and uncertain about where to begin their risk assessment. They may also feel that the company’s prioritisation does not accurately reflect the severity or frequency of violations to workers’ rights. This is especially true if contacts with local trade unions or effective complaint mechanisms are not in place.

Trade unions in extractive industries can identify priority countries by examining where companies have significant operations in high-risk environments. They should also consider the political priorities set by IndustriALL Global Union and IndustriALL Europe. Overall, analysing the evolution of complaints is fundamental.

TARGETING HIGH-RISK COUNTRIES

A suggested trade union heatmap compiles data on trade export volumes—used as a rough proxy for the number of workers potentially affected—and combines it with each country’s ITUC Global Rights Index score. This visual tool helps **identify countries that are both labour-intensive and high-risk in terms of workers’ rights protection**. As a starting point, trade unions can focus their exploratory efforts on these priority countries to guide further research and action.

As an illustration, the following map (Figure 2) provides a guide for prioritising areas of focus when examining the supply chain for processed iron. Countries are coloured according to ITUC risk scores - from green (sporadic violations of workers’ rights) to red (no guarantee of rights) - and overlaid with trade volumes, which indicate the potential number of workers involved. Trade volumes are represented by circles: blue for low, orange for medium and red for high.

Countries that combine a high ITUC risk score with high or medium trade volumes should be prioritised for further investigation. These include India, China and South Korea.

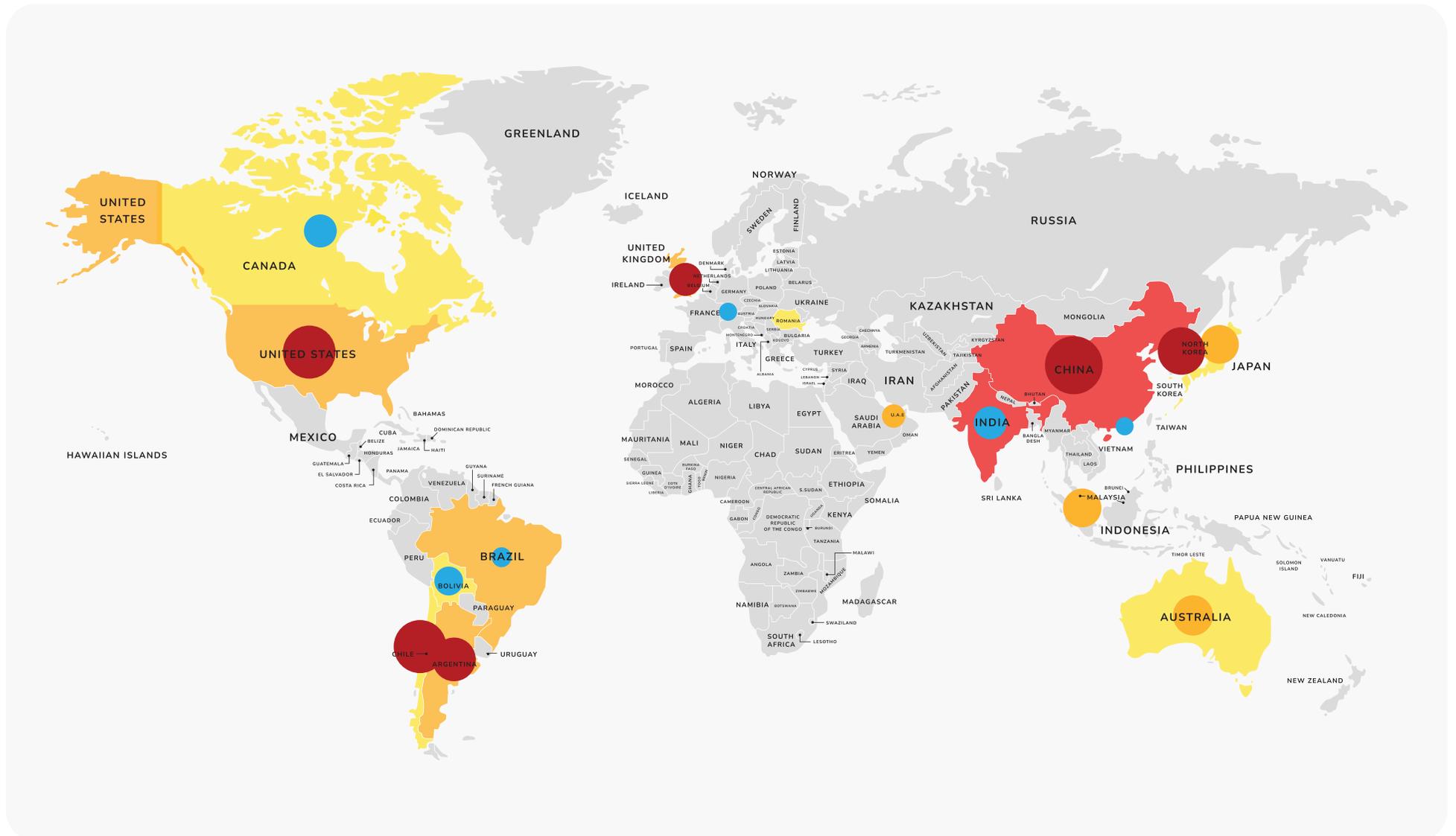
Depending on supplier presence, countries that combine a medium ITUC risk score with high or medium trade volumes may also rank high on a trade union priority list. These include: the US, Chile and Argentina.



The ITUC Index rates countries according to their compliance in law and in practice with internationally recognised collective labour rights, in particular freedom of association, the right to collective bargaining and the right to strike. Countries are rated in clusters 1-5+. A high-rated cluster means that the country does not guarantee collective rights.

Source: www.ituc-csi.org

Figure 3 Lithium extraction - a heat map of high-risk countries (Source: own elaboration)



ALIGNING WITH INDUSTRIALL GLOBAL UNION'S FOCUS

IndustriALL Global Union has made the following productions high priority targets:

- **Cobalt in the DRC:** This is a key focus due to the significant human rights risks associated with cobalt mining, particularly in the artisanal and small-scale mining sector. The DRC produces over 70 per cent of the world's cobalt. IndustriALL Global Union's focus is also driven by the growing global demand for cobalt, which is critical for the transition to renewable energy systems.
- **Nickel in Indonesia:** IndustriALL Global Union prioritizes nickel in Indonesia within its HRDD strategy due to serious and escalating human rights and environmental concerns. Indonesia is the world's largest producer of nickel, supplying approximately 55 per cent of global demand in 2023.
- **Lithium in Argentina:** Argentina, part of the Lithium Triangle, holds substantial lithium reserves, essential for electric vehicle batteries. The country's growing lithium mining activities present both economic opportunities and social and environmental challenges.

ANALYSING COMPLAINTS

Analyzing worker complaints and ensuring access to remedy are critical. Trade unions can monitor the evolution of complaints year after year to assess how risky activities are changing. This process helps **determine the extent to which a series of individual complaints hides a systemic issue**. Further details on implementing an independent and effective grievance mechanism are provided in the following section.

5.

HOW TO APPLY LEVERAGE?

Based on the identified risks, the company is required to stop activities that cause an adverse impact on human rights violations. The company should also develop a plan to prevent or at least mitigate potential future impacts. Unions should aim to negotiate several of these measures with management for a tailor-made action plan.

#1. ENSURING THAT UNIONS HAVE A SEAT AT THE TABLE

Ensuring union representation throughout the GVC presupposes that the company has a clear commitment to trade union rights. This commitment should go beyond domestic legal frameworks—which can be very insufficient—and uphold core ILO standards in both its own operations and throughout the supply chain.

However, the absence of robust legal protection in many countries where operations occur remains a major challenge. **Headquarter-based unions should leverage their influence to secure a seat at the table through global networks**, ensuring that unions within the supply chain have adequate representation.

It is also recommended that headquarter unions appoint one or several dedicated HRDD officers to support this work.

In a Memorandum of Understanding signed in 2021, IndustriALL Global Union and the South African mining company Anglo American agreed on the need to continuously monitor workers' fundamental rights through a global dialogue. This dialogue takes place twice a year, bringing together representatives from management and national-level trade unions. The forum focuses on identifying OSH issues, ensuring adherence to the Anglo American Code of Conduct and engaging on broader matters of shared interest, such as a just transition for coal workers and responsible mining practices. Particular attention is given to operations in Africa and Latin America.

Box 1 Example of a global network

#2. ENABLING AN EFFECTIVE COMPLAINT MECHANISM

A well-functioning grievance mechanism can significantly strengthen protections for workers and support the upholding of decent work, both within a company's own operations and across its supply chain. **Effective grievance mechanisms allow issues to be escalated to the headquarters of major customer companies, which can in turn influence actors further down the chain.**

The system should include a hotline and a structured escalation process, notifying the European Works Council (EWC), the relevant federation, or other oversight bodies as needed. The introductory guide provides building blocks for a global framework agreement (GFA) or Memorandum of Understanding (MoU) that sets up an independent, coordinated process with union involvement at all levels.

A functional complaint mechanism presupposes that trade unions at both local and headquarters levels play a critical role in its daily application.

At the local level, unions are essential for feeding complaints into the system and documenting

the evolution of systemic risks in various parts of the global value chain. The further down the supply chain, the more challenging it may be to identify a customer company with sufficient influence over the direct employer. #4 below describes the importance of measuring leverage in a supply chain to identify the most effective entry point for lodging the complaint. If needed, unions should contact IndustriALL Global Union for support.

At the headquarters level, trade unions should leverage their position to achieve a satisfactory resolution of conflicts. This requires maintaining strong contacts with local unions as described in #1. Over time, unions should also collect and analyse complaint data to support their own risk identification and measure progress on workers' rights across operations and supply chains.

#3. ESTABLISHING HRDD IN OWN OPERATIONS

Addressing risks to workers' rights in a multinational enterprise often starts with **trade union inspections of sites**, which requires a guaranteed right of access. On these visits, trade unions will have the opportunity to independently monitor working conditions, assess the implementation of applicable occupational safety and health (OSH) standards, and ensure that company reporting accurately reflects reality.

Progress should then be tracked through **objective key performance indicators**, which may vary depending on the nature of the identified risks. Indicators may include for instance:

- Number of workplace accidents
- Presence of elected worker committees, composition and number of meetings
- Collective bargaining coverage
- Share of direct vs. indirect employment
- Proportion of permanent vs. fixed-term contracts
- Data gathered from grievance mechanisms

Trade unions can also **engage with financial investors** by highlighting the financial, legal and reputational risks investee companies face when they fail to respect workers' rights. By sharing evidence of workplace violations, unions can push investors to demand stronger HRDD policies, improved transparency, and corrective action from management. In some cases, unions can build alliances with responsible investors or pension funds to file shareholder resolutions and make respect for labour rights a condition for continued investment. This adds a powerful layer of pressure on companies, complementing direct union negotiations.

#4. DEALING WITH SUPPLIERS

Measuring leverage

Trade unions need to identify where their leverage is strongest within the global value chain. This understanding enables them to target their efforts effectively, applying pressure in areas where it can produce the most meaningful and lasting change.

Key factors include:

Dependence – when the MNE is an indispensable customer of a given supplier, the threat of ending a contract can be a powerful driver of change.

Ownership – pressure on large companies can cascade down and influence the behaviour of smaller suppliers or cooperatives.

Finance – identifying who funds the firms involved. Union engagement with pension funds, for example, can help overcome resistance.

NEGOTIATING MITIGATING MEASURES

Once points of leverage are identified, trade unions should negotiate specific measures to address key concerns.

A first step can be to **focus on suppliers' codes of conduct**, which are often the primary way MNE attempt to secure sustainability in their supply chains. Trade unions should ensure that these codes set out sufficiently precise standards and expectations, including respect for trade union rights. However, the effectiveness of these codes depends on proper monitoring and enforcement. Simply asking suppliers to self-assess compliance is insufficient; meaningful oversight requires independent audits with union involvement.

When violations are detected, the main contractor or client must act. Responses can range from awareness-raising and corrective measures to contract suspension—or, in the most serious cases, full divestment from a region or country.

Secondly, **the grievance mechanisms mentioned earlier should also be made available to workers in the supply chain**. Without this, the progress achieved through HRDD in the company's own operations risks pushing the most severe violations further underground in the supply chain.

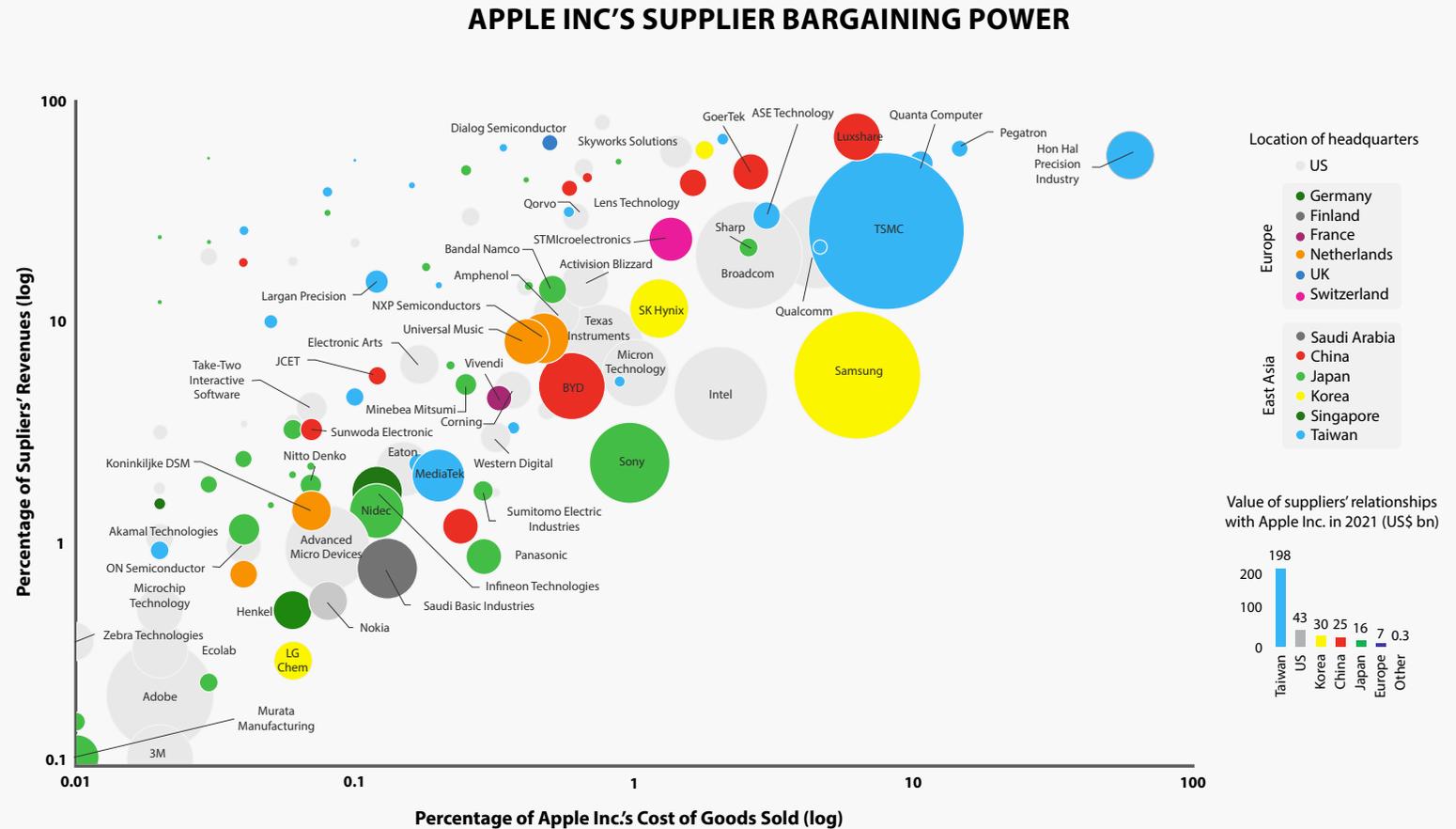
Finally, additional measures may be implemented depending on the context, such as:

Insourcing – bringing parts of production back in-house when outsourcing models create unmanageable risks for workers.

Supplier selection - applying strict criteria for choosing business partners, including a verified record of fair employment practices.

Box 2 Illustration of leverage measurement

This diagram illustrates Apple's bargaining power over its suppliers. The horizontal axis shows how much each supplier contributes to Apple's cost of goods (Apple's dependence), while the vertical axis shows how much Apple contributes to the supplier's revenue (the supplier's dependence). Apple has the greatest bargaining power over suppliers positioned high on the vertical axis and far to the left on the horizontal axis.



Source: Friction Point Research - Analysing Geoeconomic Networks in a Multipolar World, PowerPoint presentation (2022)

6. **CERTIFICATION SCHEME**

Multi-stakeholder initiatives are partnerships between businesses, civil society, trade unions and sometimes government representatives, aiming to address common challenges in responsible business conduct. While these initiatives can sometimes undermine HRDD if they are entirely controlled by management, genuine initiatives are a useful tool for applying leverage. Companies concerned about reputational risks often adhere to these initiatives in exchange for a social conduct label, committing to uphold social standards in their GVC and report on compliance.

In extractive industries, trade unions are board members of the Initiative for Responsible Mining Assurance (IRMA). The initiative functions as a framework to assess and manage labour risks in mining operations. It sets standards for workers' rights, occupational health and safety, and fair labour practices, and requires independent audits to verify compliance. By incorporating worker feedback and monitoring mechanisms, the IRMA helps identify risks such as unsafe working conditions, low wages, or lack of union recognition, providing a structured approach for companies and unions to address these issues collaboratively.

Trade unions in headquarters can therefore push their companies to adhere to this initiative, creating an incentive for higher-tiered suppliers to more thoroughly explore working conditions in their supply chains.

