



DRIVING HUMAN RIGHTS DUE DILIGENCE

BASE METALS - 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 base metals industry. 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 Prague on 3–4 October 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, including the formal integration of responsible business conduct into corporate management systems, the analysis and mitigation of risks, the remediation of any impact and appropriate reporting.

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 assessing the severity and frequency of risks to workers' rights.

In the base metals sector, raw material extraction is vulnerable to severe worker exploitation. Where the issues cannot be solved locally, workers at these lower-tier suppliers may turn to trade unions sitting in major customer companies to seek improvements in working conditions. In turn, base metals form part of long GVCs in the automotive industry. Trade unions in original equipment manufacturers or Tier 1 suppliers can be called upon to help improve practices in companies processing the metals.

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

In many cases, trade unions do not start from scratch. Several large multinational enterprises (MNEs) in the base metals sector already have some form of risk mapping in place. These processes may have been developed in response to national legal obligations or as part of efforts to enhance corporate reputation by aligning with non-binding international standards, such as those of the United Nations. As part of this project, IndustriALL Global Union and industriAll Europe's affiliates assessed the quality of existing HRDD processes in base metal. 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.

2.

THE GLOBAL VALUE CHAIN IN BASE METALS

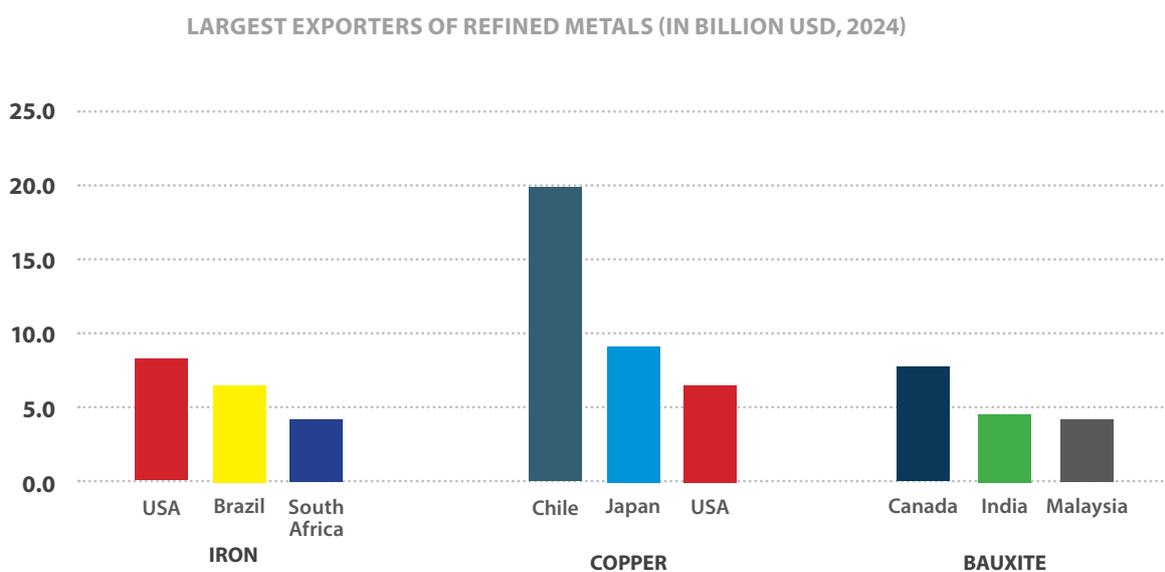
The term base metals usually refers to industrial, non-ferrous metals like aluminium, copper, lead, nickel, iron, tin and zinc. They are abundant and affordable, in contrast to precious metals like gold and silver.

The GVC for base metals encompasses all stages from extraction of raw materials, through processing and refining, to manufacturing and final use, along with related services such as transport and trade, across multiple countries.

For this guidance, the main stages of the base metal GVC can be summarized as follows:

- **Extraction: mining or quarrying metal-bearing ores** (Tier 4 or above suppliers). Extraction is often concentrated in resource-rich countries, such as Australia and Brazil for iron ore or Chile and Peru for copper.
- **Processing: smelting and refining ores into pure metals** (Tier 3 suppliers). This stage often occurs in countries with cheap and abundant electricity, even if raw ore comes from resource-rich nations in other continents. For example, China controls a significant portion of global copper refining capacity, even though it may not be the primary source of the raw ore itself.
- **Manufacturing** (Tier 1 and 2 suppliers): producing semi-finished products (e.g.: coils, wires, sheets) that feed into complex goods, such as automotive components. According to OECD statistics, top exporters of car components include China, Hong Kong and South Korea.
- **End users** (for example, original equipment manufacturers in automotive).

Figure 1 Largest exporters of refined base metals 2024 (Source: own elaboration on the basis of UN Comtrade)



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.

Across the base metals GVC, occupational safety and health (OSH) is the most significant concern. These risks are both immediate, due to the nature of heavy industry, and long-term, from chronic exposure to hazardous conditions. A serious issue appears to be the failure to implement existing OSH standards. The most common risks include:

- **Extraction:** physical injuries, respiratory diseases from dust and toxic substances, forced labour and exploitative conditions, particularly in artisanal mining, cooperatives, or conflict zones.
- **Processing:** IndustriALL Global Union reports that steel smelting is especially problematic. The core dangers are amplified here, primarily because of the intense physical and chemical hazards involved in the initial high-temperature ore conversion. Refining, which purifies the crude metal afterwards, remains high-risk. There, hazards shift towards chemical and general physical issues.
- **Semi-finished product manufacturing:** Producing semi-manufactured base metal products presents risks different from mining or smelting. Hazards stem less from raw material extraction and more from the industrial processes and equipment itself. Key risks include physical and mechanical hazards from heavy machinery, noise-induced hearing loss, and chemical hazards. Respiratory hazards are also present, though less common than in smelting.

ENABLERS

The following factors must be considered as key enablers of OSH accidents:

- ▶ Lack of union recognition
- ▶ The use of vulnerable workers, such as migrant or precarious workers
- ▶ Outsourcing of labour-intensive tasks

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

4.

WHERE TO START? SUGGESTED PRIORITIES FOR RISK MAPPING

Faced with a fragmented GVC and associated risks, 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 base metals 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 (0-33% of overall trade values), orange for medium (34-66%, and red for high (67-100%).

Countries that combine a high ITUC risk score with high or medium trade volumes should be prioritised for further investigation. These include: China, India, Thailand, Malaysia, Turkey, Egypt, Saudi Arabia or Zimbabwe.

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, Brazil, Peru, the UK or Romania.

Green countries represent cases of low ITUC risk exposure. While these may not require immediate attention, trade unions may nonetheless be alerted when workers' complaints cannot be solved locally and escalate to headquarters.



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

ALIGNING WITH INDUSTRIALL GLOBAL UNION FOCUS

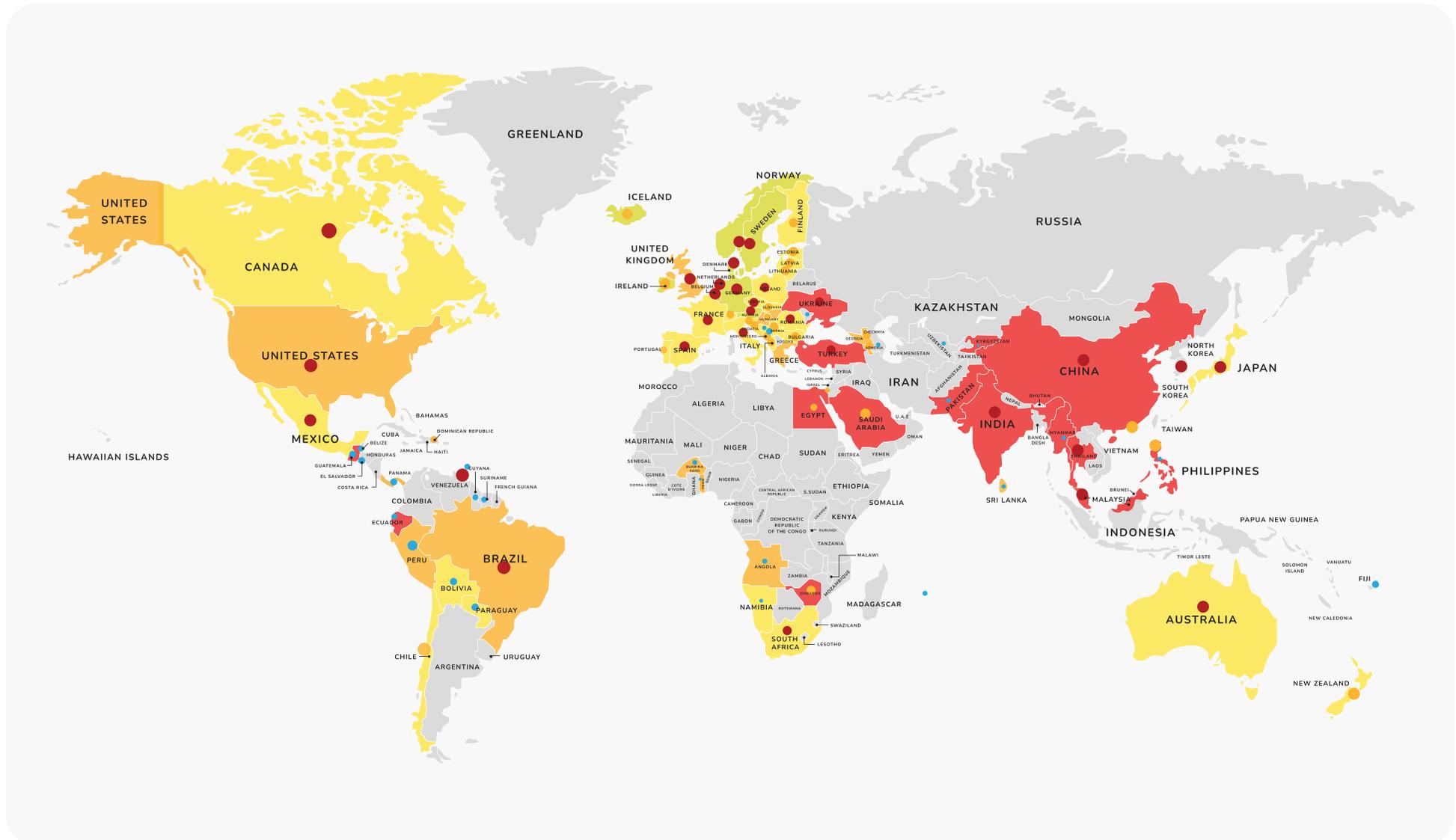
IndustriALL Global Union has made the following countries high-priority targets:

- **Brazil (mining):** Brazil is a critical player in the global base metals supply chain, especially for iron ore. However, its mining sector is linked to severe social and environmental impacts. OSH issues are huge, with serial accidents stemming from non-compliance with standards and suppliers failing to use personal protective equipment (PPE).
- **India (steel):** India is a priority, particularly due to the construction of large steel plants built to export worldwide. Union leaders report high production pressures, a severe shortage of qualified staff, a rise in precarious workers, privatisation of public sector steel companies, outsourcing of mines, mine closures and serious workplace health and safety concerns.
- **Mexico (all operations):** Mexico is high on the target list due to the presence of yellow unions (company unions) and severe union busting. Large base metal operations (steel, mining) are present here (e.g., ArcelorMittal, Teksid), with documented conflicts.

ANALYSING COMPLAINTS

Analysing worker complaints is fundamental. 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 establishing an independent and effective grievance mechanism are provided below.

Figure 2 Processed iron - a heat map of high-risk countries



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, particularly outside Europe, remains a major challenge. **Headquarters-based unions should leverage their influence to secure a seat at the table through global networks**, ensuring that unions within the supply chain also have representation.

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

The Global Framework Agreement on Sustainable Development signed by IndustriALL Global Union and the Belgian multinational UMICORE lays down a series of social principles applicable to the Group. UMICORE also commits to seek business partners that adhere and comply with the ILO core labour standards.

A specific joint committee is responsible for monitoring the implementation of the Agreement, composed of senior level management and representatives from IndustriALL Global Union and the European Works Council. These employee representatives can organise every year a mission to working sites to review compliance with the Agreement.

Box 1 Example of inclusive monitoring

#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 in order 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:

- The number of workplace accidents
- The presence of elected worker committees, their composition, and number of meetings
- Collective bargaining coverage
- The share of direct vs. indirect employment
- The 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.

Box 2 Monitoring OSH fatalities and accidents at Arcelor Mittal

IndustriALL Global Union and industriAll Europe have been raising concerns about a persisting high number of workplace fatalities at ArcelorMittal —over 300 deaths reported in 2012-2023 and thousands estimated to have suffered from accidents and injuries in its mines and steel plants.

IndustriALL Global Union and industriAll Europe argue that ArcelorMittal has failed to adequately invest in safety, involve unions in monitoring, or uphold consistent global standards, with the Joint Global Health & Safety Committee largely inactive.

Source:

[ArcelorMittal trade union global action day: stop deaths at work NOW! | IndustriALL](#)

#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.

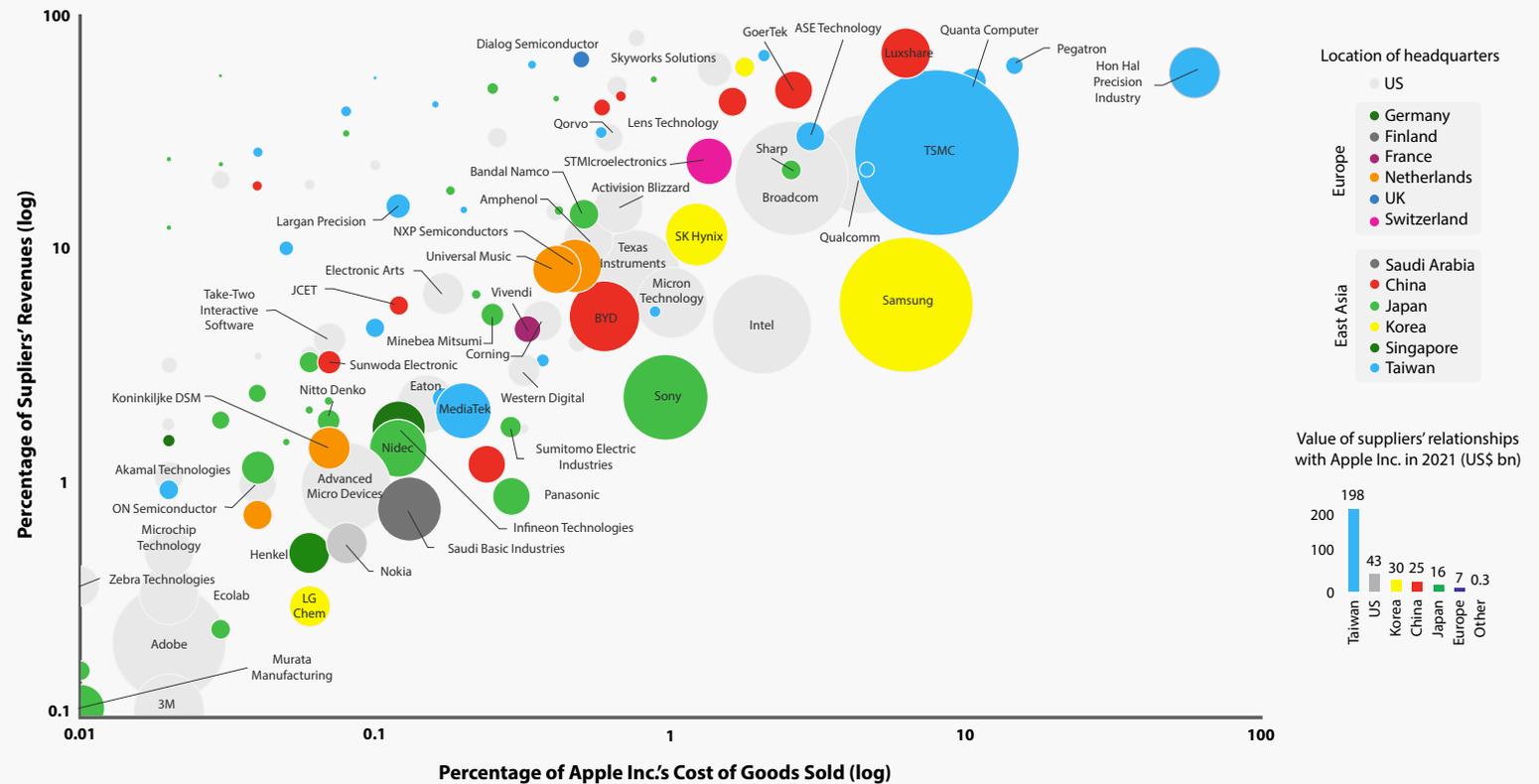
Ownership – pressure on large companies can cascade down and influence the behaviour of smaller suppliers or cooperatives.

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

Box 3 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.

APPLE INC'S SUPPLIER BARGAINING POWER



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

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 take action. 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.

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 base metals, trade unions are board members of **ResponsibleSteel**. ResponsibleSteel is a global multi-stakeholder initiative that promotes sustainability and ethical practices throughout the steel industry. It provides a certification and standard system that ensures steel producers meet environmental, social and governance (ESG) criteria. This includes reducing carbon emissions, using resources efficiently, protecting human rights, ensuring safe and fair working conditions and engaging responsibly with local communities. During site audits for certification, auditors are also required to consult with local trade unions to verify that workers' rights to freedom of association and collective bargaining are respected.

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.

