

Industri**ALL** Global Union World Conference for the Materials Industries

**RESPECT
WORKERS'
RIGHTS!**



**2-3 November 2017
Bremen, Germany**



Table of contents

1. Introduction	1
2. General economic environment	3
3. Industry overview	6
3.1 Cement	6
3.2 Glass.....	7
3.3 Ceramics.....	8
3.4 Summary	9
4. Precarious work in the materials industries sector	10
5. Occupational safety and health in the materials industries	12
6. Trade union networks and global framework agreements	13
6.1 Global framework agreements.....	13
6.2 Trade union networks	15
7. Campaigns and activities	19
7.1 LafargeHolcim campaign	18
7.2 OECD complaints	22
8. Conclusion	24

1. Introduction

Since our last World Materials Industries Conference in 2013 in Bangkok, Thailand, we have seen many changes, not only in the world, but also in IndustriALL Global Union. IndustriALL's second Congress in Rio de Janeiro in Brazil in October 2016 has paved the way for the next years: "a luta continua – fighting forward".

In Rio on October 2016, IndustriALL General Secretary, Valter Sanches, stated:

"All our action plan points are related; we can't talk about fighting precarious work without talking about union building, confronting global capital and defending workers' rights. We see that precarious work always finds a way, even in Germany, which has the highest standards of all. The only way we can move forward is to help strengthen our unions in the region."

Since Congress, more changes have affected trade unions all over the world: a new national egotism (America First, Brexit) has entered the stage, not only in the USA and UK, but in several European countries, India and other regions of the world. Democracy itself is under threat in many countries, not only in Turkey, Brazil or South Korea. Even in Poland and Hungary, the European Union has to find proper answers to authoritarian regimes. But when democracy is threatened, workers and their families are the first to suffer. Workers' rights and freedom of association are the first to suffer when authoritarian regimes come to power.

And what has become of the Arab Spring that raised so much hope from 2010 to 2012? Many of these countries are failed states or drowning in bloodshed and civil war, while women have been thrown back to the dark ages in some places.

IndustriALL needs to be a strong voice for workers' rights and for democracy, in these times more than ever. And we will raise our voice in the materials industries.

INDUSTRIALL WORKS TO ACHIEVE ITS PURPOSE THROUGH FIVE KEY GOALS



- Defending **workers' rights**
- Building **union power** and **organizing**
- **Confronting** global capital
- Fighting **precarious work**
- Promoting **sustainable** industrial policy

We will be there no matter whether our colleagues, comrades or brothers and sisters are maltreated in France, Germany, the USA, Canada, Brazil, Argentina, Indonesia, the Philippines, India, Africa or wherever. We will build global solidarity in order to fight attacks against workers and their families.

In Bangkok in 2013, we adopted an action plan where we promised to:

1. Promote more effectively international solidarity and cooperation among workers in multinational companies and their supply/value added chains
2. Fight against precarious work in any form
3. Support and reinforce organizing efforts and activities of affiliates in multinational companies and their supply chains
4. Integrate more women and young people into our work
5. Continue the work on multinational company (MNC) strategy, including global networks and GFAs, to enhance trade union presence and power in MNCs
6. Promote sustainable industrial policy in the materials industries sector

Over the last four years, we have done a lot. At the same time, the landscape in the materials industries has changed; many MNCs have changed their profile; major players have changed their industrial footprint; and mergers and acquisitions have created new groups and challenges for trade unions. And, last but not least, what we call Industry 4.0 has reached the materials industries. This development did not come overnight and it is not over yet. But digitization is changing production, particularly in services and distribution. Global unions will have to find answers to the challenges brought about by change.

This report is the story of our last four years of struggle in the materials industries to protect workers within the framework of our five strategic goals. It has often, but not always, been a success story. It has always – not often – been OUR story.

We, IndustriALL Global union, were there when workers in need called us and when workers who had power offered solidarity. Solidarity is not a one-way road. Today's solidarity will pay off in the future. This report shows some of our struggles and activities over the last four years.

A great thanks goes to all who contributed to the outcomes; to every affiliated trade union that contributed with their activity; to the elected leadership in the sector that helped put our action plan in place: and to the regional offices who hosted meetings and organized solidarity activities.

2. General economic environment

The economic situation is the framework in which any industrial and trade union activity takes place. After the crisis hit the economy hard in almost all countries, recovery is occurring at a varying rate in different areas of the world. But overall growth seems to be stable at more or less between 3.0 and 3.6 per cent. When we are looking into GDP development for OECD and the other most economically important countries, the picture varies from country to country and from region to region.

Below are the figures for GDP for some of the world's biggest economies from 2012 until 2018 (2017 and 2018 are still forecasts):

REAL GDP

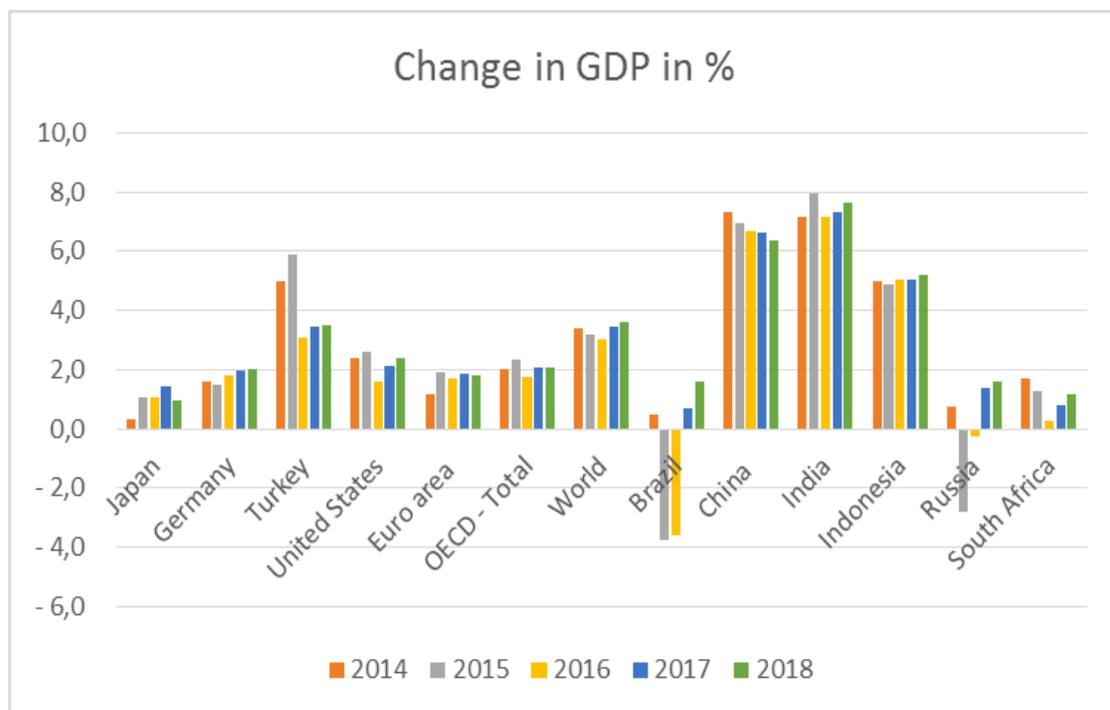
Percentage changes from previous years

Time	2012	2013	2014	2015	2016	2017	2018
Country							
Australia	3,7	2,1	2,8	2,4	2,4	2,5	2,9
Austria	0,7	0,1	0,8	0,8	1,6	2,2	1,7
Belgium	0,1	-0,1	1,6	1,5	1,2	1,6	1,7
Canada	1,7	2,5	2,6	0,9	1,4	2,8	2,3
Chile	5,3	4,0	1,9	2,3	1,6	1,6	2,8
Czech Republic	-0,7	-0,5	2,7	4,6	2,3	2,9	2,6
Denmark	0,2	0,9	1,7	1,6	1,3	1,6	2,1
Estonia	4,3	1,6	2,7	1,5	1,7	2,6	3,1
Finland	-1,4	-0,8	-0,6	0,3	1,4	2,0	1,5
France	0,2	0,6	0,7	1,2	1,1	1,3	1,5
Germany	0,7	0,6	1,6	1,5	1,8	2,0	2,0
Greece	-7,3	-3,2	0,4	-0,3	-0,1	1,1	2,5
Hungary	-1,5	2,2	3,9	3,1	1,9	3,8	3,4
Iceland	1,2	4,1	1,9	4,1	7,2	5,3	2,6
Ireland	-1,1	1,1	8,4	26,3	5,2	3,7	2,5
Israel	2,4	4,4	3,2	2,6	4,0	3,2	3,3
Italy	-2,9	-1,7	0,2	0,7	1,0	1,0	0,8
Japan	1,5	2,0	0,3	1,1	1,0	1,4	1,0
Korea	2,3	2,9	3,3	2,8	2,8	2,6	2,8
Latvia	4,0	2,6	2,1	2,7	2,0	3,5	3,5
Luxembourg	-0,4	4,0	5,6	4,0	4,2	4,5	4,2
Mexico	3,8	1,6	2,3	2,7	2,0	1,9	2,0
Netherlands	-1,1	-0,1	1,4	2,0	2,1	2,4	2,1
New Zealand	2,5	2,1	2,8	3,1	3,9	3,1	3,1
Norway	2,7	1,0	1,9	1,6	1,1	1,3	1,5
Poland	1,6	1,4	3,3	3,8	2,7	3,6	3,1
Portugal	-4,0	-1,1	0,9	1,6	1,4	2,1	1,6
Slovak Republic	1,7	1,5	2,6	3,8	3,3	3,3	4,1
Slovenia	-2,7	-1,1	3,1	2,3	2,5	3,8	3,1
Spain	-2,9	-1,7	1,4	3,2	3,2	2,8	2,4

Sweden	0,1	1,2	2,7	3,8	3,1	2,7	2,3
Switzerland	1,1	1,8	2,0	0,8	1,3	1,5	1,9
Turkey	4,7	8,9	5,0	5,9	3,1	3,4	3,5
United Kingdom	1,3	1,9	3,1	2,2	1,8	1,6	1,0
United States	2,2	1,7	2,4	2,6	1,6	2,1	2,4
OECD - Total	1,3	1,5	2,0	2,3	1,8	2,1	2,1
World	3,3	3,3	3,4	3,2	3,0	3,5	3,6
Argentina	-1,0	2,4	-2,5	2,6	-2,3	2,5	3,1
Brazil	1,9	3,0	0,5	-3,8	-3,6	0,7	1,6
China (People's Republic of)							
Colombia	7,9	7,8	7,3	6,9	6,7	6,6	6,4
Costa Rica	4,0	4,9	4,4	3,1	2,0	2,2	3,0
India	4,8	2,3	3,7	4,7	4,3	4,1	4,1
Indonesia	5,5	6,5	7,2	7,9	7,1	7,3	7,7
Lithuania	6,0	5,6	5,0	4,9	5,0	5,1	5,2
Lithuania	3,8	3,5	3,5	1,8	2,3	3,1	2,9
Russia	3,5	1,2	0,7	-2,8	-0,2	1,4	1,6
South Africa	2,2	2,5	1,7	1,3	0,3	0,8	1,2

*These numbers are working-day adjusted and hence may differ from the basis used for official projections
Source: OECD Economic Outlook 101 Database*

The figures show that China (while slowing down), India and Indonesia are the strongest drivers of global economic growth at this moment, whereas Japan, Europe and the USA are slower in growth. Although Brazil and Russia are suffering from economic setbacks, in total, economic growth has returned almost to pre-crisis standards.



Source: OECD Economic Outlook 101 Database. Graphic: IndustriALL

A core problem at this moment is that many governments seek growth in their own countries in competition with other countries or regions (think USA First), but in order to achieve this, the only recipe they know is weakening labour legislation and lowering protection standards (e.g. in health and safety). In North America, the United Kingdom and the rest of EU-Europe, banks succeeded in privatizing the profits and socializing the losses. It is the taxpayer who again pays for the criminal activities of banks and governments. Although real (sustainable) profits can only be generated in real production, the policy of deindustrialization in some areas of the world continues.

As we said in our 2013 conference report:

“We in our sectors know: real value is only generated through real work. Also in the 21st century value is generated by the women and men who excavate, produce and process materials. So it is crucial that the workers raise their voice in order to get their share. Money alone does not generate value. Money does not produce cement, concrete, glass and ceramics, of which houses and plants are built. Workers do all this.”

Industry 4.0 changes production and distribution also in the materials industries, but this does NOT necessarily mean that automats or robots do all the work - not at all. But digitization forces us to re-think the way we distribute work. We should use this opportunity.

3. Industry overview

3.1 Cement

Cement is one of the most important construction materials. No cement, no construction. At the same time, cement production is one of the major contributors in global CO₂. This is due to the chemical processes when transforming limestone to clinker in a rotating kiln. Also, cement is not substitutable. Cement is a binder, a substance that sets and hardens independently, and can bind other materials together. The most important uses of cement are as an ingredient in the production of mortar in masonry, and of concrete, a combination of cement and an aggregate to form a strong building material. This means: as long as we need housing and other buildings, we need cement production. A growing world population needs more “homes” and hence the general trend in the cement industry is upward, as the figures below clearly indicate.

World Production and Capacity:

	Cement production		Clinker capacity ^e	
	2015	2016 ^e	2015	2016
United States (includes Puerto Rico)	84,300	85,900	107,000	109,000
Brazil	65,300	60,000	60,000	60,000
China	2,350,000	2,410,000	2,000,000	2,000,000
Egypt	55,000	55,000	46,000	46,000
India	300,000	290,000	280,000	280,000
Indonesia	58,000	63,000	64,000	78,000
Iran	58,600	53,000	79,000	79,000
Japan	54,800	56,000	53,000	53,000
Korea, Republic of	51,700	55,000	50,000	50,000
Russia	62,100	56,000	80,000	80,000
Saudi Arabia	61,900	61,000	65,000	75,000
Turkey	71,400	77,000	76,000	77,000
Vietnam	67,400	70,000	80,000	90,000
Other countries (rounded)	760,000	810,000	560,000	620,000
World total (rounded)	4,100,000	4,200,000	3,600,000	3,700,000

Figures in 1,000 tonnes for 2016 = estimations. Source: U.S. Geological Survey, Mineral Commodity Summaries

Reading these figures, we see that today’s greatest producer of cement is China. But this goes not only for the production of cement, but also for consumption.

As mature markets will more or less stagnate, emerging markets (mostly China, India, Indonesia and Asia-Pacific) will continue to grow – and China will grow even stronger. These are only forecasts so far, but there are strong indications that it will be the reality of the coming years. Within this market, there are the Big Ten players who alone cover a market share of 1.5 billion tonnes of cement. Now there are two even bigger players: LafargeHolcim, a recently merged company of former Lafarge and former Holcim, now based in Switzerland with a capacity of 375 million tonnes of cement in 90 countries, and HeidelbergCement (which took over Italcementi) and has now a capacity of approximately 200 million tonnes of cement in 60 countries.

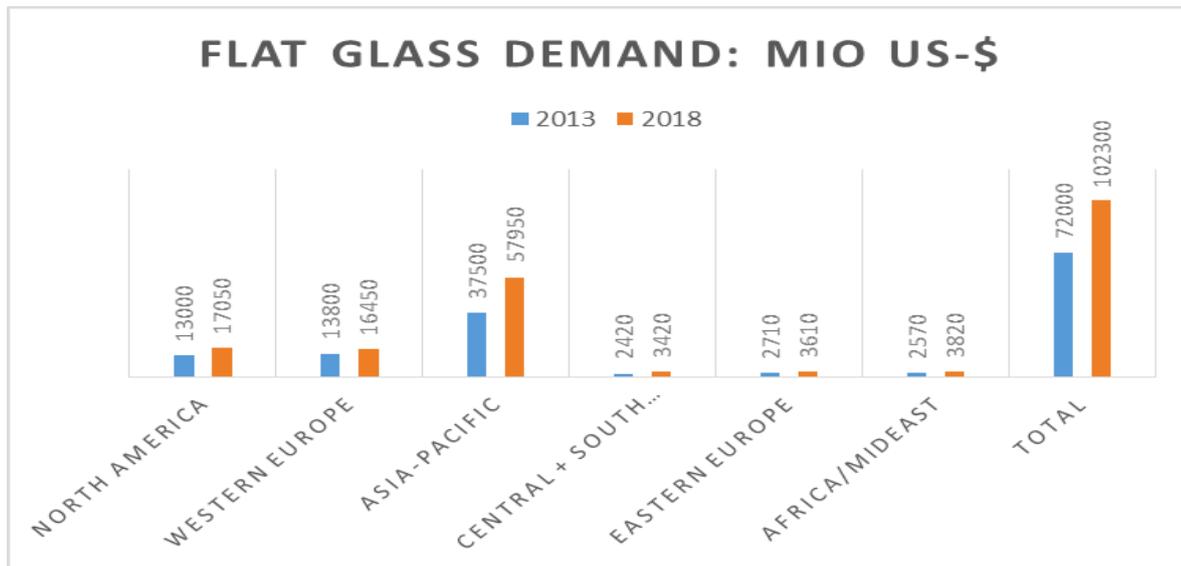
World cement demand and production will continue to grow but not everywhere - the European cement industry is still facing a harsh restructuring process.

3.2 Glass

In the glass industry we differentiate mainly flat glass from container glass. Glass is fragile and its price is not high, but the transport cost accounts for a relatively high proportion of the unit price. In order to reduce the transport cost, manufacturers must be geographically close to the downstream customers. The core elements of glass production lines are furnaces.

Flat glass market:

The global flat glass market was approximately US\$72 billion in 2013, building on US\$65 billion the year before. Experts expect the market to grow further for another six to seven years and reach up to US\$115 billion in 2022. In 2013, approximately 10 per cent of the market was automotive glass, 80 per cent construction and 10 per cent other applications. Growth will be driven by the construction sector mostly, particularly with windshields, transparent walls and windows.



Data source: the Freedonia Group Inc., Graphic: IndustriALL

Container glass market:

Global glass packaging market size was approximately US\$50 billion in 2014. Rising demand for alcoholic beverages along with rapid increase in the beer industry in Eastern Europe and Asia-Pacific is expected to augment growth until 2020 until demand reaches a value of at least US\$62 billion in 2020. This means an annual growth in demand of approximately 3.81 per cent.

In addition, several characteristics of glass containers (recyclability, non-permeability, and zero rate of chemical interaction) make them suitable as a packaging material for various applications including beer, soft drinks, beverages and medical uses. On the other hand, plastic bottles and metal cans are cheaper and lighter and can be used as substitutes to glass, which might hamper demand growth.

The annual production of glass containers was 49.23 million metric tonnes (MMT) in 2014 and is estimated to reach 60.30 MMT by 2020, growing at a compound annual growth rate (CAGR) of 3.4 per cent, according to a recent report available from Research and Markets.

The glass container market in 2014 was led by the Asia-Pacific region, with one-third of the market share, closely followed by Europe. Moreover, Asia-Pacific is the fastest-growing market for the forecast period, making it the region of focus for glass container suppliers. The alcoholic beverage industry led the glass container market with around half of the market share in 2014.

3.3 Ceramics

Ceramics are inorganic, non-metallic solids prepared by the action of heat and subsequent cooling. The ceramics industry includes abrasives, brick and roof tiles, clay pipes, refractory products, sanitary ware, technical ceramics, wall and floor tiles and tableware. Annual global production in all ceramics industries is valued at approximately US\$125 billion (2010), with transparent ceramics a fast growing market. A handful of countries dominate the export markets in the industry.

China in the ceramic tiles sector/2007-2011:

		2007	2008	2009	2010	2011
Production	China	3.200	3.400	3.600	4.200	4.800
	World	8.252	8.548	8.533	9.546	10.512
Consumption	China	2.700	2.830	3.030	3.500	4.000
	World	8.060	8.350	8.500	9.410	10.370
Exportation	China	500	570	584	715	830
	World	1.910	1.919	1.750	1.960	2.130

All figures in million sq.m, Data source: Tile Today

Since the sector is so diverse, this table below is limited to tile production, which is one very important part of the ceramics industry.

Tile production globally by geographical area (in million sq.m.)

	2011	2012	2013	2014	2015	% on 2015 world production
EU	1188	1179	1185	1192	1218	9,9
Other Europe	480	524	606	570	572	4,6
NAFTA	290	302	306	308	327	2,6
South America	1098	1138	1158	1194	1193	9,7
Asia	7234	7720	8330	8703	8627	69,8
Africa	331	356	368	401	413	3,3
Oceania	5	5	5	5	5	0
Total	10626	11224	11958	12373	12355	99,9

Source: ACIMAC, World production and consumption of ceramic tiles, 4th edition, 2016

3.4 Summary

All our three subsectors have certain things in common:

- Minerals are processed and transformed into raw materials for further industrial use. Production process needs heat (energy). Cement, glass and Ceramics are created under high temperature in great heat in big kilns. Their production uses a great deal of energy. Carbon emissions are one of the major issues in this sector, so companies try to modernize or dislocate their production.
- Companies in the sector are trying to broaden their industrial footprint in order to become full service providers in specific segments.
- Long-term prospects are good in accordance with global population growth (more people need more housing).
- Particularly in Cement and Glass, but also partly in ceramics, the product does not go to the consumer, but business-to-business:
 - Cement is delivered to construction companies and/or inserted into construction materials (ready-mix concrete)
 - Glass goes to further producers (flat glass: to automotive industries; windows and glass fibres to construction companies; container glass to producers of food, beverages, pharmaceuticals etc.)
 - Ceramics mostly go to other businesses (tiles to construction companies, technical ceramics to respective industries, etc.)
- Chinese producers and consumers alike dominate these industries.
- In cement, glass and also ceramics, a handful of multinationals dominate the market.
- Due to the nature of the materials sector, the plants are generally located near the customers (the market itself works in a local logic). Transportation and energy are the most important cost drivers, next to raw material prices.
- Industry 4.0 also touches materials industries, but in a very specific way:
 - Excavation can be digitalized, as well as parts of regular maintenance such as self-diagnosis systems, and devices that help maintenance technicians in diagnosis and repair steps.
 - But more interesting in the sector is product development (R+D), individualization of products and specifications, and services and distribution systems (e.g. digital platforms for architects and other customers, joint bidding etc.)

4. Precarious Work in the Materials Industries Sector

Precarious work appears in different forms in the materials sector. In excavating and transportation, the work is overwhelmingly precarious. These segments are often outsourced and run by precarious workers, we even find indications that child labour is used in excavating.

In transportation – of raw materials to the plants/kilns or products to the (b2b) customers – the whole department is often outsourced. Bogus-self-employment is the rule rather than the exception here.

Generally, we can say that materials companies tend to externalize staff costs and transform them into a material cost (buy the service, not pay the staff). This puts all the risk on the workers and makes them more vulnerable.

There are externalized staff costs that also make sense from a trade union point of view, especially contractors who are NOT precarious e.g. high-profile maintenance technicians etc. However, most externalization of jobs has led to a deterioration of working conditions.

Workers who are employed by subcontractors or agencies have:

- Less pay/ lower wages per hour – often paid for a specific *service*, not the work.
- Worse working conditions, e.g. longer working hours, fewer provisions regarding health and safety, no paid personal protection equipment, no proper training on health and safety
- Worse or no collective bargaining agreements – no regulated working hours or payment
- No protection through a union (because either the union statutes do not allow it or because they are seen as competitors or less valuable workers)
- Not seen as “part of the family”, which means: no social benefits and no access to proper healthcare and other social insurances as provided by the mother company for its direct employees
- Subcontractors are often delivering work and services for an MNC over many years and still have no access to the basic steps of promotion within the company
- These workers are unlikely to have vocational training and hence have almost no chance of getting promoted over the years

In the materials industries, the following forms of precarious work are most widespread:

- Transportation: drivers as employees of transportation companies or self-employed/bogus self-employed
- Production-related services (maintenance, cleaning, security, facility management, packing and unpacking, loading and unloading of raw materials and final products)
- Agency workers working side by side with direct and regular employees of the MNCs

Although we have no concrete figures, and most companies won't disclose this information, we can estimate that up to two-thirds of the employees in the materials industries are working under precarious conditions. (The head of labour relations and social dialogue in a MNC told us that they provide approximately 480,000 jobs in total, while employing 160,000 direct employees. Maybe this is not the rule, but it is still alarming. IndustriALL's strategic goal to fight precarious work is very important in the materials industries as a whole. We must reach all the workers who contribute to the MNCs' profits worldwide.

5. Occupational safety and health in the materials industries

Working conditions in the materials industries have always been tough: heavy loads, hard work, continuous production (twenty-four-seven hours per day, 365 days per year), shift work, great heat (kilns), hazardous materials (e.g. silica), and – last but not least – stress and the risk of accidents.

But although MNCs undertake efforts to improve plant safety, many workers are still dying. If, 86 people are killed at work in a MNC with 100,000 employees, then it is a “massacre”, according to one of our Italian colleagues at the company in question.

The MNCs provide direct workers with sufficient PPE (personal protection equipment) in order to keep them unharmed. But at the same time, they turn their head when it comes to subcontractors and agency workers as highlighted above.

If most companies are trying to improve safety, how can it be that still so many workers die while carrying out their job? Why is health and safety often so poor – with lethal consequences for the workers? We identified three core reasons in 2013, and they are still valid:

1. Companies often do work very hard on accident prevention. Companies (according to local/national laws) are obliged to pay for the consequences of an accident. So that's one of the core reasons why they try to prevent accidents. But often the means are not appropriate: Safety directors tend to follow a top-down approach: they openly make safety a leadership issue, instead of asking those who perform the work on a daily basis what would be best solution, i.e. the workers, works councils, shop stewards and health and safety committees. If an accident occurs, the first thing many safety directors do is blame the worker. This behaviour-related top-down approach will not solve the problem.
2. The situation regarding occupational health is even worse. Illnesses often occur only after a long working life (e.g. muscular diseases, arthropathy or stress related diseases). Hence companies sometimes want to conceal their own responsibility. Workers face exposure to harmful substances such as asbestos, heavy metals, poisonous substances (alternative fuels), silica etc. In many companies mostly *react* rather than deal with the root problem. More often than not, they try to deny any responsibility.
3. In most cases, companies refuse responsibility for their outsourced, precarious workforce. These most vulnerable employees remain unprotected. They do not belong directly to the company, so the management often does not care – which is a crime.

6. Trade union networks and global framework agreements

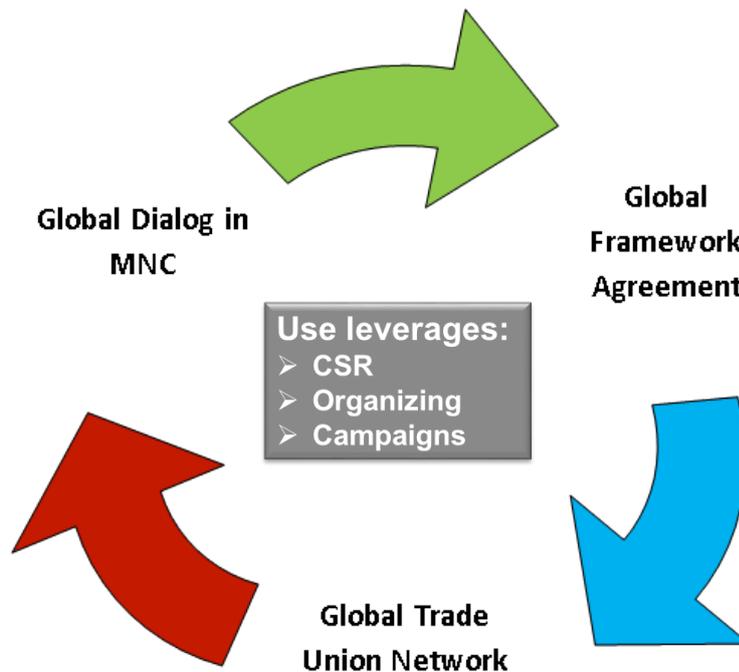
6.1 Global framework agreements

Global trade union networks are not ends in themselves. They have to deliver and contribute to IndustriALL's five strategic goals. We do not run a travel agency or organize meetings for the sake of meeting with each other. We want to achieve something for the good of the workers in the different countries.

If a MNC succeeds in playing the outsourced workers in India off against the core labour force there, the company will continue the process in Europe or the US. If a company can execute Trade Union busting in the USA, without being challenged and counter fought, the company will do the same tomorrow in Europe.

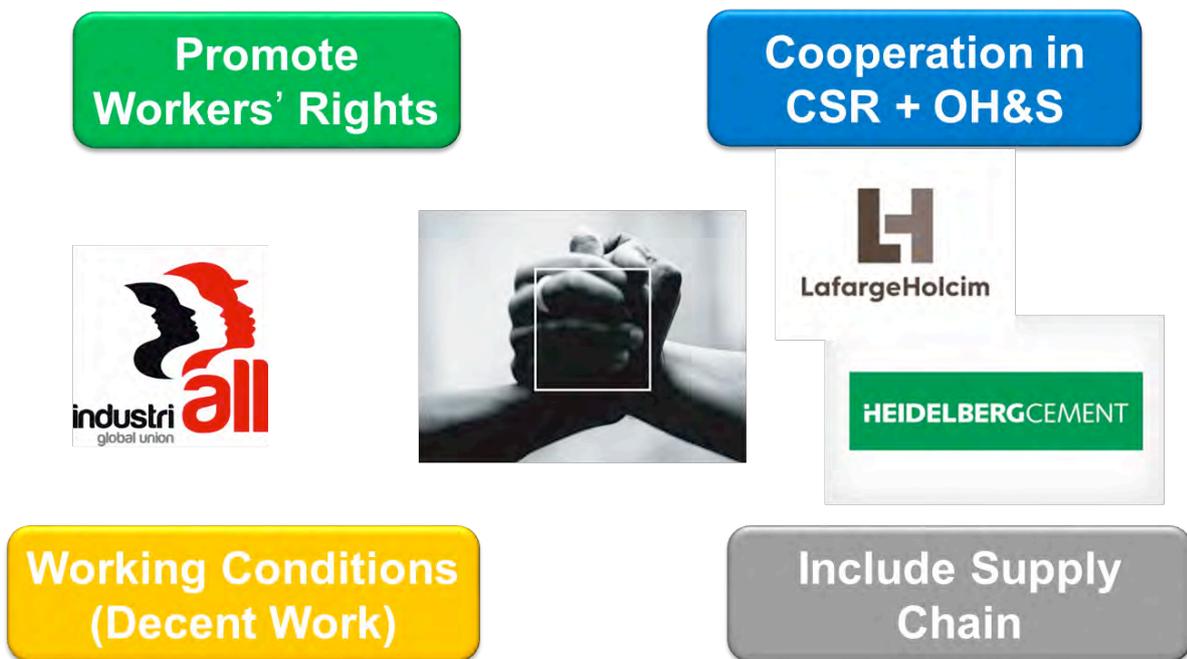
Our goal is to make a change for workers - we have to use the different instruments of a global union. This could be social dialogue on a global level, or through campaigns to influence a company in its attitude towards workers, whether they are direct or indirect workers. It's worth noting that not every contract worker is precarious (e.g. high profile skilled maintenance workers who install and maintain kilns or furnaces) and not every regular worker is non-precarious (such a workers in a pit where they might face special health and safety risks or extremely low wages etc.).

The general idea of social dialogue is to get MNCs' management on board and make them discuss with IndustriALL so that employees worldwide are involved in their discussion and decision-making processes. We are talking about using a set of tools to involve companies in a meaningful discussion with their workers, represented through IndustriALL and its affiliates. :



- We create global trade union networks. Here we organize an exchange of information, expertise and promote discussions. We also organize solidarity actions and other company-related activities.
- We offer to search joint solutions for conflicts and problems. Companies are invited to enter into open dialogue with us/the trade union network and to discuss a global framework agreement (GFA) to this end.
- As soon as the affected MNC sees the added value of such a dialogue, we can transform this dialogue into an institutionalized system: we negotiate a GFA in which we need to install a proper monitoring and conflict resolution mechanism and, if possible, a world union committee or world works council.

Global framework agreements have added value for companies - if they really are serious about their engagement in corporate social responsibility (CSR), stakeholder involvement and improvement in health and safety.



To this end, we offer always a structure of dialogue with companies. But if they do not respect workers' rights, we should also make them suffer with campaigns. Such a campaign is not meant to be an end in itself, but is meant to get the MNC to the table in order to respect workers' rights.

6.2 Trade union networks

Trade union networks in the materials industries mostly consist of:

1. Company networks

- a. LafargeHolcim (cement)
- b. Saint-Gobain (flat glass, construction materials)
- c. HeidelbergCement (cement)
- d. Owens-Illinois (container glass)

2. Regional cement networks

- a. Cement India
- b. Cement Indonesia and Asia-Pacific
- c. North America cement network

When we create these networks, we follow the needs and demands of our affiliates. We want to create added value in the sense of information exchange between affiliates and help them find strategic responses to changes in the multinationals and/or the sector. In addition, it is our aim to influence the companies and engage them into a proper social dialogue so that we can solve open questions and conflicts. At the end of the day, we want to create structures in which our affiliates can address their needs or conflicts that cannot be solved at a regional or local level.

All these networks have to be in line with IndustriALL's five strategic goals.

1. a. LafargeHolcim:

We started the Holcim network in Belgium in 2013. After the announcement of the merger with Lafarge we immediately saw the necessity to reformulate the goals and make the network the coordination group for the LH campaign (see above). All activities in the group were coordinated through the network, which operated in close cooperation with the existing European Works Councils (EWCs) and the new LafargeHolcim EWC. The global network ("LafargeHolcim World Union Conference" - WUC) came together in Belgium, Switzerland and France during this period. All these network meetings were partly funded by FES (Friedrich-Ebert-Foundation) and the hosting trade unions (e.g. Swiss trade unions Unia and Syna). The LH WUC was key to the successful campaign and global action days that have enabled us to develop global dialogue with LafargeHolcim. One of the most important lessons from this network is that it is crucial to keep all affiliates informed in order to make them part of the activities and achievements. The affiliates must have ownership over the network.

1. b. Saint-Gobain

The Saint-Gobain network was created in 2015 as a consequence of the South-East Asia glass network. The network is in a peculiar situation: management acknowledges the existence and importance of the network (and sends management representatives to the network meetings), but does not want to discuss a GFA or financial contribution to the network. In addition, conflict resolution is sluggish: management again and again requests more detailed facts, but then does not respond in due time. However, we have created a functioning steering group (comité de pilotage), which not only takes up conflicts but also organizes the annual meetings (so far, they

have always been in Paris, upon invitation of one of the participating French trade unions). These meetings are also conducted with support from German FES and French trade unions that are active in the network (especially from the three federations FO, CGT and CFDT). The network not only covers France and Europe (EWC) but also Latin America, Indonesia, India (IndustriALL promotes the foundation of a Saint-Gobain India council) and Asia-Pacific. The next Saint-Gobain global network meeting will take place from 20-22 November in Paris. One of the core issues will be the fight against precarious work in the group. The network chair is Dominique Bousquenaud from our French affiliate FCE CFDT.



Participants of Saint-Gobain Global Network meeting in Paris, November 2016

1. c. HeidelbergCement

HeidelbergCement is a German cement MNC and global no.2. The network was created to change the company's attitude and show the urgent need for social dialogue at a global level. So far, we have strong personal contacts with the HR department of HC, but we want and need structures in order to operate effectively. We hope to be able to conduct a three-year project within HeidelbergCement that will give us enough time to create a stable network that is strong enough to enter into meaningful discussions with the management. We also connect this company network with the regional networks in North America, Asia-Pacific (especially Indonesia where HC has the biggest cement plant in Bogor with a capacity of 11 million tonnes) and India. We already have good cooperation with the existing and strong European Works Council. The next step will be to give a structure to the network and distribute tasks and responsibilities in order to increase the ownership of the affiliates within the HeidelbergCement network.

1. d. Owens-Illinois

This world leader in container glass is US-based. We have a robust virtual network there with a strong footprint in Latin America, North America and an active European Works Council. The EWC secretary (Frederic Fournier, CGT verre-c eramique) sees that IndustriALL is always invited to the EWC preparatory meetings and thus can connect the EWC with the rest of the world, namely the

USA and Latin America. Network chair, Tim Tuttle from our US affiliate USW, leads the network, which comes together for regular telephone conferences and solidarity activities. The latest activities were related to anti-union behaviour by local management in Peru. We hope the network can now enter a new stage and have the first of regular physical meetings with project support.



Participants in the India Cement workshop in Nagpur, January 2017

2. a. India cement network

In the framework of two major cement activities in India over the past few years (divestments during the Lafarge–Holcim merger and the PCSS/IndustriALL OECD-Complaint), we founded a regional cement network that came together in 2015 and 2016. Greatest progress: both our Indian affiliates INCWF and PCSS in the sector developed a joint strategy and organizing goals. Instead of fighting against each other, they now have common ground for future work.

Together with our regional office we will work on a joint strategy over the next years to make organizing and recruiting progress in other cement players in the region. Since India is the global world market no.2 with an annual volume of 300 million tonnes per year (2016), it is a very good target, especially since the abuse of subcontractors is widespread in the Indian cement industry.

South East Asia, where India dominates the market and production, is one of the focus regions within the scope of our five strategic goals when it comes to confronting global capital, fighting precarious work and ensuring sustainable industrial employment.

2. b. Asia-Pacific cement network

Asia-Pacific, particularly Indonesia, the Philippines and Thailand are also important regions for a regional cement network. Not only is the market there growing rapidly, this region is also seen by Chinese companies and investors as their backyard. Chinese companies are already irritating the Indonesian market. At the same time the region as a whole is one of the biggest markets with sharp growth and a maturing trade union movement. Indonesia hosts the biggest cement plant worldwide at Citeureup with 11 million tonnes annual capacity (HeidelbergCement/Indocement), while both global players LafargeHolcim and HeidelbergCement have a strong presence in the country.

Our local affiliate (FSP ISI) played an important role in the LafargeHolcim campaign and also in the HeidelbergCement/Indocement activities (OECD complaint, see above). The Indonesian cement

unions have not only earned our respect but also need strong support and a link to IndustriALL. A similar situation can be found with Philippine affiliate, PCWC, which has been and continues to be a strong contributor to the LafargeHolcim campaign.

2. c. North America cement network

In September 2016, we re-booted the North America Cement Network in Washington D.C. Core goals are to support the North American affiliates in the cement sector (IBB, USW, Teamsters, both from Canada and the USA) in their efforts to better coordinate their collective bargaining and also organizing and recruiting activities. To this end, a working group has been set up to collect and coordinate the respective CBAs in the sector. Here, Teamsters, Boilermakers and Steelworkers cooperate and exchange information. The network is hosted and chaired by one of the participating unions and enters into social dialogue with the MNCs that are willing to contribute. In Detroit, March 2017, the unions met for discussions with the global head of labour relations and social dialogue at LafargeHolcim as well as the USA HR director of the company.

The most important goal of this network is to coordinate CBA negotiations and organizing drives in order to make sure that not one union is played out against the other. At the same time this network has helped organize resistance against illegal lockouts in Canada - and our global solidarity campaigns helped to win these battles.



North America Cement network: Canadian Steelworkers at LH being in a hard struggle – supported by IndustriALL

7. Campaigns and activities

This report is not big enough room to provide an overview of all the campaigns and activities over the last four years, but we want to highlight a few specific events that have shaped our work over the last period.

We have focused on the subsectors of glass and cement, in which changes in the industries have been clear indicators of where the sectors are going:

- Saint-Gobain, which has sold all its container glass activities, is now focusing on becoming a major player around the construction services and construction materials sector, and as a result is trying to take over the Swiss Sika group
- Owens-Illinois is changing its industrial footprint
- Lafarge and Holcim (no.1 and no.2 in the cement sector) merged and created a new huge group
- CRH has become a major player in cement sector in Europe through purchasing most of the divested parts of former Lafarge and former Holcim
- HeidelbergCement took over Italcementi and became the global no.2 in the cement sector
- The Chinese players are also now going abroad, putting the traditional players in glass and cement from the USA, Europe and Japan under market pressure.

7.1 LafargeHolcim campaign

IndustriALL conducted numerous solidarity activities and helped to raise awareness with European management at HeidelbergCement, Saint-Gobain and Owens-Illinois, but without any question, the LafargeHolcim campaign was the most important during the period 2014-2017. In 2014, Lafarge and Holcim announced a merger among equals. Trade unions knew from the start this did not bode well for workers at either company. So we immediately launched a campaign with the slogan “Lafarge Holcim: No merger without workers’ rights!”



First campaign banner 2014-2015

- The greatest achievement was been to keep all the affected players together during the entire time. IndustriALL worked closely with BWI and EFBWW throughout the whole merger process and beyond.
- We stuck to a limited but clear set of demands: a new EWC agreement; a global framework agreement; job security and social guarantees for all affected workers; social dialogue and better health and safety regulations.
- We also managed to adapt to changing management and their changing strategies.

Over the past three years, we have not only managed to establish good cooperation between the federations, but also with the European Works Councils of Lafarge and Holcim (now LafargeHolcim) and we conducted a set of global days of action alongside other activities:

- We created a LafargeHolcim Facebook site¹ and kept it up-to-date
- We conducted several web-petitions
- We adapted the campaign slogan to the changing management and management strategies
- We arranged several global meetings in order to coordinate activities and information
- We were present at several AGM's of the merging/merged entities (latest activity on 3 May 2017 in Zurich)



Second campaign banner, 2015

We not only put pressure on the company and its management, we also earned respect: LafargeHolcim management started to involve the global unions, we created a dialogue at a global level and achieved the capability to solve conflicts that occurred at a regional level, but could not be resolved there.



¹ <https://www.facebook.com/groups/180946699018723/>

After several action days, global meetings, regional meetings and workshops, LafargeHolcim management finally committed to a global dialogue within the framework of a global framework agreement which will be ground-breaking in the materials industries as the first GFA with a major Swiss multinational in the sector.

The GFA will (among other requirements):

- Confirm that LafargeHolcim will accept and abide by all ILO core conventions
- Contain a provision for the inclusion of subcontractors
- Have strong wording on neutrality (freedom of association)
- Include a LafargeHolcim Annual Conference (LHAC), a body of exchange and social dialogue and monitoring of the GFA which includes workers' delegates from all regions
- Include a conflict resolution mechanism that enables workers and workers' representatives to raise issues of non-abidance and gives the global unions a say in the solution of these conflicts, if they cannot be resolved at a local or regional level.

As a prelude to the GFA, IndustriALL and BWI signed a memorandum of understanding (MoU) with LafargeHolcim on 12 July 2017 in Zurich, Switzerland.²



Signatories of the Memorandum of Understanding and negotiation team for GFA in Zurich, 12 July 2017³

² <http://www.industriall-union.org/lafargeholcim-final-step-taken-towards-global-framework-agreement>

³ From left to right: Feliciano Gonzalez, LH, Kemal Özkan, IndustriALL, Fiona Murie, BWI, Caroline Luscombe, LH, Ambet Yuson, BWI, Eric Olsen, LH, Matthias Hartwich, IndustriALL

7.2 OECD complaints



Jamul, India. Celebrating the long-lasting fight for precarious workers at Holcim

7.2.1 Holcim India case (today LafargeHolcim): Holcim's two India subsidiaries, ACC Jamul and Ambuja Cement, had a long history of abusing worker rights, and Holcim had refused to reverse these practices. Instead, the Swiss-based company had overseen an increasing proportion of contract workers that comprised 80 per cent of the company's total workforce. They are paid less and do not receive the same PPE and other benefits. The complaint to the OECD Swiss National Contact Point (NCP) on recognition of short-term contract workers' union was submitted by PCSS India and IndustriALL in January 2012. Initial assessment was accepted by the NCP. After a long period of pre-mediation, the parties agreed on terms of reference by late summer 2013. Hence the first mediation meeting was held in September 2013 in Berne, Switzerland. The procedure lasted a long time until, finally in October 2014, we had a second mediation that led to a breakthrough.⁴ The result of this second mediation was published on 19 December 2014, but it took until 22 January 2016 for our affiliate PCSS and ACC Jamul to come to a final settlement. Today, the company speaks of a mature social dialogue relationship with PCSS and is proud of the results. Several hundred contract workers found a job in Jamul's new plant; those who could not be taken on received social plan payments as a minimum.⁵



Mature social dialogue: PCSS, IndustriALL and ACC Jamul management

⁴https://www.seco.admin.ch/seco/de/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/NKP/Statements_zu_konkreten_Faellen.html

⁵ Although unfortunately, the case in Ambuja is still not resolved.



South East Asia cement meeting in a plant (Citeureup) where union busting took place in 2012

7.2.2 HeidelbergCement Indonesia case: This Germany-based cement MNC has an Indonesian entity under the name of Indocement. The plant in Bogor, Citeureup, is one of the largest cement plants worldwide with a capacity of over 11 million tonnes per year. The Indonesian management was trying to bust the local union; they even used local bullyboys to try and get rid of it. Violence and police involvement were day-to-day-practice in Bogor. As there was no hope of solving the conflict directly between the parties (the management refused any direct talks at that time) we raised awareness of the situation at the company's German headquarters. Alas, German management refused to even talk to the local trade union, stating that local conflicts should be solved locally. So IndustriALL, together with our affiliate FSP ISI, lodged an OECD complaint against HeidelbergCement (NCP Germany) at the end of May 2013. The German NCP accepted the case and after several exchanges and fact-finding missions, mediation took place in Berlin, Germany on 21 May 2014. We also held a video conference with local union leaders to keep them on board. The German government published the result on the NCP's web site.⁶ The case has been solved, and today, it is even possible to hold trade union workshops in the Indocement plant in Bogor/Citeureup. This is a good example how conflict resolution can lead to better cooperation and functioning social dialogue globally.

Summary:

We learned that an OECD complaint can support the conflict resolution means already in place. It cannot replace our work and the firmness of our convictions and activities, but it can help to create a better climate for successful negotiations. Or, as one of our local union leaders in India, stated:

"We had to learn that sometimes negotiating is harder than fighting. But we negotiated successfully and came to good solutions for our colleagues."

⁶ http://www.bmwi.de/Redaktion/DE/Downloads/G/gemeinsame-abschlusserklaerung-deutsche-nationale-kontaktstelle-englisch-ift-dhl.pdf?__blob=publicationFile&v=2

8. Conclusion

Although this report cannot cover everything that happened in the sector during the report period (2014-2017), it is clear that we have come a long way from Bangkok to Bremen (and not only geographically). We have witnessed changes in the sector that could not have been foreseen when we adopted our action plan in Thailand.

It is clear that the developments in glass, cement and ceramics multinationals, provide the framework within which we have to make our moves. IndustriALL Global Union is ready to take responsibility.

IndustriALL is respected in the materials industries. We are a player and when we speak for our affiliates, multinationals listen. But although we have made a lot of progress, there remains a lot to be done:

- Health and safety is an enormous risk to our workers, our colleagues, our brothers and sisters
 - Their health is at risk due to the hard nature of the work and the hazards it entails (crystalline dust, alternative fuels, heat, heavy burdens, shift work)
 - Their safety is at risk due to pressure at work, a bad working environment and insufficient safety measures
- Precarious work is one of the worst threats to workers in the materials sectors:
 - Outsourcing (what is the core labour in a cement plant, or in tile or glass production?)
 - Subcontracting (agency or temporary work, transportation with external contractors)
- Sustainable industrial employment is at risk:
 - Who will – and under which conditions – produce glass, cement and ceramics in the future?
 - What does Industry 4.0 mean in materials industries?
 - How will our industries deal with CO₂-emissions?

We will have to work on these issues over the next four years. But one thing is sure: IndustriALL Global Union will be there. As one of our brothers said recently:

“Wherever the multinationals go, whatever they do – we will be there. There will always be trade unionists ready to challenge them and struggle for the rights of our co-workers.”

Head Office

IndustriALL Global Union

54 bis, route des Acacias
Case Postale 1516
1227 Geneva Switzerland
Tel: +41 22 308 5050
Email: info@industriall-union.org

Regional Offices

Africa Office

North City House
Office S0808 (8th Floor)
28 Melle Street, Braamfontein
Johannesburg 2001 South Africa
Tel: +27 11 242 8680
Email: africa@industriall-union.org

Postal address:
P O Box 31016
Braamfontein 2017 South Africa

South Asia Office

No. 5-E, Rani Jhansi Road
New Delhi 110 055 India
Tel: +91 11 4156 2566
Email: sao@industriall-union.org

South East Asia Office

473A Joo Chiat Road
Singapore 427681
Tel: +65 63 46 4303
Email: seao@industriall-union.org

CIS Office

Str. 2, d.13, Grokholsky per., Room 203
12090 Moscow Russia
Tel: + 7 495 974 6111
Email: cis@industriall-union.org

Latin America & the Caribbean Office

Avenida 18 de Julio No 1528
Piso 12 unidad 1202
Montevideo Uruguay
Tel: +59 82 408 0813
Email: alc@industriall-union.org