



ANNUAL REPORT
2023

 **RESPONSIBLE**
MICA INITIATIVE

"A coalition for action toward a fair, responsible and sustainable mica supply chain"

INDIA

Responsible Mica Initiative (RMI) active since 2017

Estimated mica production: **130,000 tons** per year

Main type of mica: **Muscovite**

Main client industries: **Pigments for cosmetics, paints and printing inks; Automotive; Electronics**

Estimated **child labor** in mica extraction: **10%** of workforce

Sources: UN Comtrade, SOMO, Terre des Hommes Netherlands

49

health check-up camps were organized, utilized by **4,892** community members

35

new Anganwadi Centers for rural child care (AWC), were established to provide children **6** and under with better nutrition and pre-school education

Rajasthan mica deposits

Bihar and Jharkhand mica belt

Ranchi

14

new Common Facility Centers (CFCs) were established and utilized by more than **3,000** households

484

of the most marginalized mica workers were given asset building support for complementary livelihoods and to enhance their family income

6

years of extensive collaboration with local communities, government, industry members and other stakeholders

Andhra Pradesh mica deposits

1st

collective audit for mica processors, with a total of **10** mica processors audited

211

of the most marginalized children were given scholarship support to enable them to continue their education and avoid potential dropping out

32

training sessions for mica processors, for **10** processing units, based on workplace standards and ESG implementation

13,726

new social security enrollements

14

new community based safe drinking water units established in villages benefitting nearly **1,540** households

6

auditors from third-party agencies trained using the new RMI course to audit mica processing units

90,000km

traveled by the Malagasy team to monitor the work of mining communities

1

very proud team consisting in **2** highly engaged collaborators in Madagascar

10

new mica exporters active in Madagascar joined the RMI in 2023 with membership still expanding!

2,195

participants from mining communities participated in the baseline study on mica ecosystem needs

22€

is the monthly income of 70% of mica miners who participated in our baseline study

2

mining sites supported in their formalization process, paving the way for more to come

16

mining sites visited prior to selection for the pilot study

12

international experts from **Basic ARM, BYW,** and **Elucid** supporting our team in Madagascar

Mica extraction areas

Fort Dauphin Tolagnare

MADAGASCAR

Responsible Mica Initiative (RMI) active since 2022

Estimated mica production: **70,000 tons** per year

Main type of mica: **Phlogopite**

Main client industries: **Automotive, Electronics**

Estimated **child labor** in mica extraction: **50%** of workforce

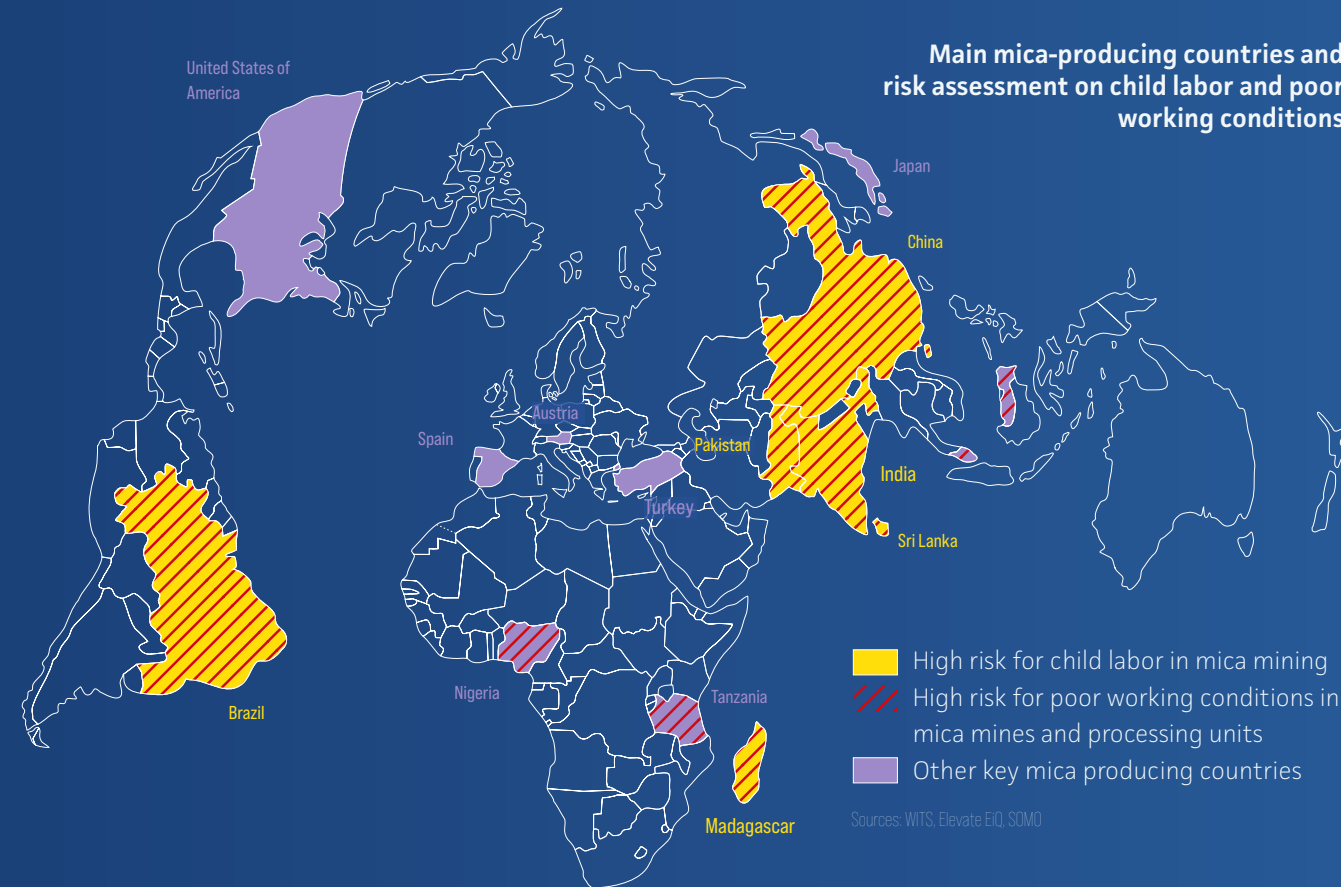
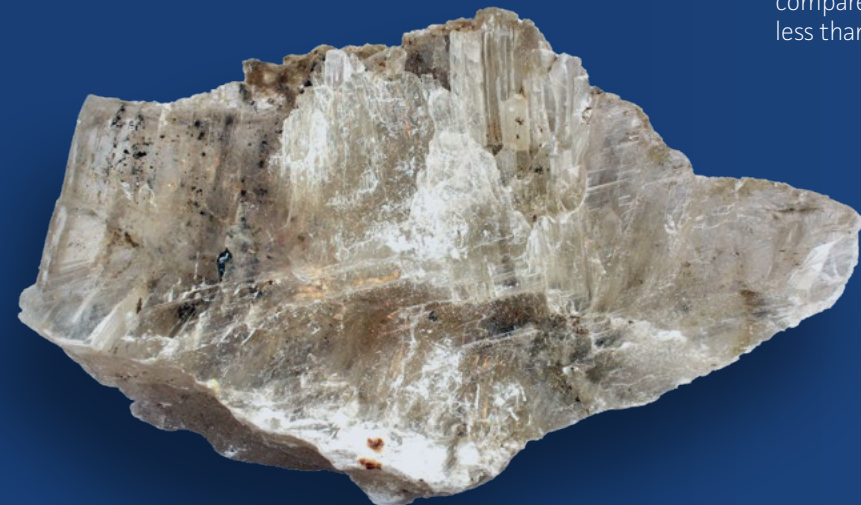
Sources: UN Comtrade, SOMO, Terre des Hommes Netherlands

What is mica and how is it used?

Mica is a family of 37 minerals used in a wide range of industrial sectors that benefit from the mineral's diverse properties. Mica's reflective optical properties are utilized in cosmetics as well as in paint and coatings. Its exceptional natural electrical insulation properties make mica an integral part of many electrical devices, including in battery packs of electrical vehicles. The construction and plastics industries use mica as functional filler. Given its diverse properties and applications, mica is found in a significant number of parts and materials used in the automotive industry ranging from electronic or plastic components to coatings. In the oil and gas sector, mica is employed as a lubricant in drilling. The type of mica needed for these and other applications can range from high quality (large pieces and high transparency) to low (scrap or dhibra).

What are the economic and social considerations involved in mica mining?

India and Madagascar are two of the world's largest sources of mica, responsible together for 40% of global mica production. As a result of poverty and lack of available quality education, some families have had no option but to bring their children with them to mine or collect mica and supplement their incomes. The practice prevails despite the fact that laws in both India and Madagascar prohibit any form of work by children under the age of 14 and hazardous work by those under the age of 18.



What is the future trend for the mica market?

The use of mica as an insulator in battery packs of electrical vehicles - up to 15 kg for one electric car and 70 kg for one electric bus - and in renewables makes it a key material for energy transition and has increased in demand as the use of electric vehicles has grown. Mica demand seems to have already increased over the past few years beyond India and Madagascar as well. In Nigeria mica exports reached 11 kt in 2021 compared to prior years in which exports had been less than 1 kt.

What is the RMI for?



The Responsible Mica Initiative aims to promote a responsible mica supply chain in India, free from child labor. Our organization was not the first to pursue this objective, as several founding members had already sponsored and continue to support projects with similar aims. Their experiences highlighted the complexity of the task and the need for more coordinated resources to tackle the economic and social conditions underlying child labor in mica mining regions such as Bihar and Jharkhand.

In 2016, stakeholders came together at a mica summit and committed to tackling this challenge. In response, the Responsible Mica Initiative was launched in 2017. RMI's holistic approach involves actors in the mica supply chain to develop integrated strategies that address the social, economic and regulatory factors contributing to child labor, while promoting responsible sourcing practices.

Recognizing the need for broad societal engagement, we aim to involve all relevant stakeholders in understanding and resolving future challenges. This involves partnering not only with companies in the mica supply chain, but also with governments, civil society organizations and local communities involved in mica mining and processing.

What has RMI done so far?

In its six years of existence, RMI has made great strides in tackling the economic and social problems associated with the mica mining and processing ecosystem:

- UN Forum on Business & Human Rights recognizes RMI's multi-stakeholder approach as best practice
- Finalized the Global Workplace ESG and Due Diligence Standard for Mica Processors with the Responsible Minerals Initiative to guide implementation of responsible mica supply chains globally
- Designed and introduced blockchain-based traceability platform
- Launched Community Empowerment Programs (CEP) in 180 villages in India, bringing 8 local NGOs together to benefit 16,000 households
- Completed third-party impact assessments of CEPs with the support of Improve and Y-East validating program impacts for mica-dependent communities
- Built on the experience acquired in India and launched a similar three-pillar integrated approach in Madagascar
- Led to the release of a new Mica Dhibra Policy in Jharkhand in March 2022, which aims to legitimize and formalize mica picking within a cooperative structure
- Determined living wage levels for typical mica-dependent households in India and Madagascar with the support of the Fair Wage Network
- Participated in international human rights and child labor forums, raising awareness about stakeholders in mica supply chains
- Collaborated with or joined multiple international organizations, exchanging information on best-practices
- Joined Global Battery Alliance
- RMI membership growth from 20 to 103 at its peak

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MESSAGE FROM THE PRESIDENT

Dear Reader,

Thank you for taking the time to delve into the 2023 Responsible Mica Initiative (RMI) annual report. Your interest is deeply appreciated.

RMI members understand the unique properties and diverse applications of mica, and we are equally committed to establishing and preserving a mica supply chain that is responsible, sustainable, and free of child labor. In 2023, our concerted efforts have led to significant progress in advancing these objectives. Building on our foundation, we have collected more data for tracing mica throughout the entire supply chain, empowering RMI members to monitor their individual supply chains using this innovative tool. Furthermore, as part of our ongoing due diligence initiatives, we facilitated the application of third-party audits to verify mica processors' compliance with RMI's Global Workplace ESG & Due Diligence Standard.

The Community Empowerment Program confirmed its reach, providing vital health and nutrition services and access to education to a total of 180 villages, benefiting 91,000 adults and children in mica-dependent communities in the Jharkhand region of India.

Engagement is vital to the success of all our work. In our endeavor to garner support for our initiatives, 2023 saw us continue to foster multi-stakeholder dialogue.

More companies in the mica supply chain have confirmed RMI's positive impact and have opted to become a member. By the end of 2023, RMI was 97 members strong.

In recent years, energy transition and electrification of the transport sector have increased the demand of mica even further. Unique properties qualify mica as an enabling material for advanced technologies. RMI will reflect such developments in the structure of its membership and in the geography of its activities. Our aspirations to apply the lessons learned from our work in India to other regions took shape as we sowed the seeds of RMI's strategy in the mica-dependent communities of Madagascar. Our team there has engaged with diverse stakeholders to combat child labor, improve workplace safety, and uplift underserved communities.

Within the following pages, my esteemed colleagues and I take pride in presenting the myriad accomplishments of RMI and the invaluable contributions of our partners over the past year, alongside our ambitious plans for the future. I encourage you to peruse these pages and contemplate how you might contribute to our objectives, benefiting mica-dependent communities in India and Madagascar as well as making mica-dependent technologies more sustainable.

Warm regards,

Dr. Karsten Müller
RMI President



A word from our traceability partner



Tilkal is proud to support RMI with a fit-for-purpose blockchain technology solution designed to help create transparent and secure mica supply chains. Tilkal is the supply chain traceability and trust platform for Industry 4.0. It combines a unique B2B blockchain network for secure and provable data sharing, with analytics and scoring algorithms to create an end-to-end, real-time representation of the supply chain. Tilkal enables industrials and brands to assess their sourcing risks, prove their ESG commitments, verify their compliance, and increase transparency towards their customers.

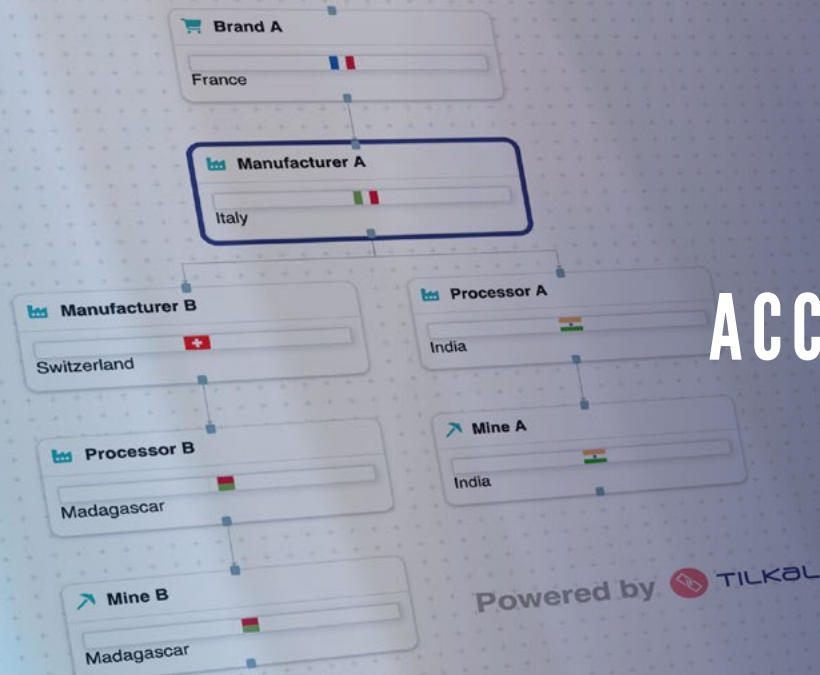


Modern traceability is becoming a license to operate as a rapidly growing body of regulations enforces transparency on product origin and impact. For sensitive supply chains like the ones of mica, traceability needs to be a collective game where key players from a wide spectrum of sectors- brands and suppliers alike, pool resources to achieve better sourcing. RMI has been a driving force in creating this momentum. At Tilkal, we are very thrilled that our platform contributes to RMI's vision to create mica supply chains at the forefront of transparency and eradicate child labor.



Joseph Azar
Founder and COO

2023
STRATEGIC
ACCOMPLISHMENTS



Strengthening our traceability platform

Providing a secure tool for regulatory compliance

Officially launched in 2021, the traceability platform serves as a pivotal tool in RMI's ongoing mission to bring transparency to the mica industry's complex supply chains.

Designed for RMI members, the platform enables careful mapping of supply chains which fosters a comprehensive understanding of sourcing origins and added value along mica supply chains. In addition, the platform enables upstream players to track their progress in implementing responsible workplace practices, giving them the opportunity to highlight this progress and enter formal international supply chains. This enables downstream players to focus their support on the mines and processing sites that need support the most.

In 2023, RMI made significant strides to further improve the functionality of the traceability platform by offering users the means to voluntarily reveal upstream supply chain actors to downstream actors. As well, the Board of Directors took a pivotal decision and agreed that, starting in 2025, this full value chain information would become a compulsory membership commitment for all RMI members. All downstream

members would gain visibility into their upstream supply chains, except in cases where such information could interfere with free competition.

This decision aims to enhance transparency and foster engagement with the upstream supply chain to drive change. It also aligns with emerging European due diligence regulations, such as the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CS3D) reporting requirements, catering to downstream actors' need for a comprehensive understanding of their supply chains.

Finally, the year also witnessed the RMI team leading the development of new features on the traceability platform, including the traceability tree and commercial declaration form. These additions provide users with greater transparency while maintaining requirements of antitrust regulations. To facilitate member onboarding, support was extended to address questions and technical issues faced by the users.

Amidst debates and discussions, 2024 promises the realization of additional key projects, including the launch of the mica compliance dashboard. The dashboard will offer vital aggregated insights for RMI members, aiding in evaluating traceability and ESG performance in their mica sourcing.

A word from one member



Since 1987, Kobo Products has provided innovative, technology-based raw materials to the cosmetics industry on a global scale. The company utilizes mica as a bulking agent, colorant, and substrate for pearlescent pigments. Kobo has been a part of the Responsible Mica Initiative since 2018 and strives to support RMI's efforts to build a more transparent and responsible mica supply chain.



The data collection campaign and Tilkal platform have massively improved the trust that is so critical both upstream and downstream in a sensitive supply chain. The collective information sharing has enhanced traceability and been central to our efforts to identify and reduce risks in our supply chain. It unites efforts across multiple industries to eliminate child labor and improve conditions at the origin of a critical resource in a way that can't be replicated through individual relationships.



Drew Missey
Regulatory and Technical
Service Coordinator

Accelerating our programs in Madagascar

Anchoring RMI by strengthening ties with our partners

In 2023, RMI reached significant milestones in each of its strategic pillars. RMI established trust-based relationships with authorities and economic stakeholders, evidenced by 10 Malagasy exporters joining the Initiative in the first year of operations in the country. These trusted relationships significantly enhanced our understanding of the context in which RMI programs need to engage and the stakeholders who we would work with, enabling us to develop fit-for-purpose programs in Madagascar. We look forward to the opportunity to fully launch our operational programs in 2024.



Miner in the mine of Benato Toby, Madagascar with his tools

Main results achieved

Cross cutting results

While RMI's program framework has been honed over years of activity in India, we have adjusted the strategy for Madagascar. We launched a pilot project to refine our approaches, in five complete supply chains, from mines to end-market international brands. The pilot project brought together 15 RMI members, including 10 mica exporters from Madagascar who joined us in this first year. Interviews with approximately one hundred value chain participants, field visits and a baseline survey have given us a very detailed knowledge of the context in which we will be working.

Workplace standards

A study comparing the [Global Workplace ESG and Due Diligence Standard for Mica Processors](#) with the Malagasy legal framework was carried out by [Buy Your Way](#), a consulting firm specializing in responsible sourcing. The study identified areas of alignment and gaps to develop a curriculum for exporter training courses. As there was no Artisanal and Small-Scale Mining (ASM) workplace standard for mica mines, RMI initiated the development of one - a mica branch of ASM's Craft Code - in conjunction with the [Alliance for Responsible Mining \(ARM\)](#). The Craft Code is discussed further below.

Community Empowerment Program

The baseline study conducted in eight mining sites enabled us to develop, with participation of the target communities, our approach to Community Empowerment Programs (CEPs) in Madagascar. These are designed to provide access to education, drinking water and health programs, and to strengthen of economic self-reliance and food resilience.

Legal Framework and Governance

RMI engaged [Basic](#), a consulting firm specializing in social and environmental challenges, to conduct an income, wage and costs survey mapping and analyzing the distribution of value, costs, taxes, and net profit margins along the Madagascar mica value chain. During the pilot project, discussions with value chain members focused on understanding the factors that could contribute to providing mica workers with a living income as well as mica traceability.

Our learnings from the baseline study

Unacceptable working conditions

When all activities and demographics were taken into consideration, 70% of mica workers earned a monthly individual income of no more than 22€ as of September 2023. With a living income set at [138€ per month](#) for a rural household in Madagascar, current mica mining does not enable artisanal miners to have a decent life. The majority of mica workers work every day of the week and half of them work more than eight hours a day. To improve their working conditions, mining communities require more equipment and materials to reduce the physical hardships associated with mining, create efficiencies, and expand access to healthcare coverage.

General illiteracy

Most of the miners cannot write or read. This is a handicap for daily activities and affects their income as their illiteracy makes them more susceptible to being scammed by mica traders. All respondents in our pilot survey were interested in integrating literacy development into RMI's program in Madagascar.

Child labor in mica mines

Child labor in mica mines is systemic due to widespread poverty, families' need for income, and a lack of alternatives venues for children while their parents are at the mines, such as schools or recreational activities. Eliminating child labor in mines requires establishing a local, age-appropriate education system, raising strong awareness about the importance of education

within communities, supporting child and community nutrition standards, and improving adult worker revenues. The later will be enabled by RMI programs that can support farming, animal husbandry, and small business entrepreneurship.

Our main learnings from the mica income, wage and cost analysis

In 2022, RMI sponsored a landmark report in India that determined an acceptable or living income or wage for members of mica mining communities and processing units. The report also identified what downstream actors in the value chain would need to do to provide that level of income. In 2023, RMI completed the same study in Madagascar. The draft results are compelling. To provide a living income at the mine level the price of mica would need to increase by a factor six. While this could appear to be a significant change, fortunately a sixfold increase in the price of mica would have only a negligible average 0.005% impact on the price of end-market finished goods. The Madagascar study will be published in 2024 so that all the actors of the mica value chain will appreciate that paying at least a fair price at the mine level as well as among sorting and processing units is economically feasible. In line with the study's recommendations, RMI is already working hand-in-hand with local miners to set up miners groups, as is provided for in the Malagasy Mining Code.

A word from our healthcare assessment partner



Elucid leverages technology to enhance small-scale producers' access to quality healthcare and translates the impact into data for companies to meet compliance requirements and substantiate sustainability claims to consumers.



In 2023, RMI partnered with Elucid, a social business focused on bringing healthcare to remote and vulnerable communities. Elucid conducted a thorough health context assessment at four mining sites covered

by RMI's pilot program in Madagascar, engaging with mine workers to better understand their healthcare and financial support needs. The outcomes of the assessment were presented to RMI members and included a series of suggestions for RMI's Community Empowerment Program (CEP) to address health-related issues. We hope they will be implemented as part of the deployment of RMI program in the South of Madagascar. To learn more about Elucid, visit www.elucid.social.



Dr. Julius Emmrich
Co-founder and Managing Director

Extending responsible workplace standards to the entire supply chain

From the mine to the downstream brands

Since the program's initiation, RMI has supported mica industry upstream actors in implementing responsible workplace practices. This effort began by establishing an industry-specific workplace standard for mica, followed by developing an audit protocol. Additionally, expert teams were recruited in India and Madagascar to assist processors in adopting these best practices. Recently, RMI expanded the scope of its workplace guidance by introducing the Mica CRAFT standard for artisanal mica mines adapted from the CRAFT tool developed by the [Alliance for Responsible Mining \(ARM\)](#). A range of training sessions, tools, and support activities will soon be implemented to guide not only processors but also mine workers in adopting responsible workplace practices.



Regularly Supporting Processors through Training and Audits

Throughout 2023, RMI worked with mica processing units in India hosting professional training sessions and helping to prepare processors for third-party audits using the [Global Workplace ESG and Due Diligence Standard for Mica Processors](#). All RMI members use and benefit from the collective audit protocol which facilitates administration of multiple audits which, in turn, lowers the cost and burden of audits for processors and downstream members.



Auditing a processing site in Koderma, India



Auditing a processing unit in Bhilwara, Rajasthan, India



Sorting site in Fort Dauphin, Madagascar



Auditing a processing unit in Gudur, Andhra Pradesh, India

Downstream players supporting their suppliers

RMI downstream members commit to supporting the implementation of responsible workplace practices upstream in the value chain, including but not limited to the payment of a fair price for mica to support at least a living income among mica miners and a living wage to mica workers in processing units.

RMI will support them in the journey through an array of services.

Looking forward: Planning training dedicated to mica mining

In 2024, RMI plans to develop and launch training dedicated to mica mining and to kick off their facilitation. RMI will also focus its core supporting activities towards miners and processors. Training facilitation, preparing processors for audits, training auditors, and supporting implementation of corrective action plans will each contribute towards improvement of working conditions of all workers at all stages of the mica supply chain.



Developing the Mica CRAFT

In 2023, RMI initiated the development of the mica CRAFT code, a project conducted with the support of the creator of the CRAFT code itself, the [Alliance for Responsible Mining \(ARM\)](#). The CRAFT code is a globally recognized responsible workplace standard for artisanal and small-scale mines (ASM). An adaptation of the original CRAFT code, the mica CRAFT code, will be finalized in 2024. Similar to the original CRAFT code, the mica CRAFT code is expected to be aligned with the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

Strengthening the international position of Global Workplace ESG and Due Diligence Standard for Mica Processors

In 2021, RMI and the [Responsible Minerals Initiative](#) together developed the Global Workplace ESG and Due Diligence Standard for Mica Processors, an extensive standard dedicated to mica processing and exporting units addressing specific environmental, social and governance (ESG) issues encountered in these facilities. The [Global Workplace ESG & Due Diligence Standard for Mica Processors](#) is already being implemented by processing units in India and Madagascar, with the support of RMI. In India, RMI extended its support to processors in Rajasthan and Andhra Pradesh.

Exporter

Intermediaries

Ensuring a Fair Distribution of the Added Value

RMI concluded two landmark studies to estimate the income level in rural and urban areas, both in India and Madagascar. This served as a basis for a modeling of the financial consequences of paying at least a living income for downstream companies workers. The results are encouraging. A living income can be achieved with a five- or six-fold increase in the wages paid today to miners but would result in only a minimal increase of between 0.001-0.005% in the price of end-market finished goods.

Brands



A Community Empowerment model that has proven successful in India

Benefiting 180 villages in Jharkhand and Bihar

In India's Jharkhand and Bihar states, RMI has completed nearly six years of extensive collaboration with local stakeholders, including local communities dependent on mica, civil society members, state governments, Panchayati Raj Institutions (a system of rural local self-government in India), elected representatives and many others. Our engagement has empowered and helped to transform vulnerable local communities engaged in mica picking in far-flung and often remote villages. The program is currently implemented by two consortia of local partners, CESAM (Collective for Empowerment and Sustainable Action on Mica) and BJSAM (Bihar and Jharkhand - Sustainable Action Plan on Mica). The goal is to eliminate the use of child labor and to ensure decent working condition for the workers engaged in mica picking.

To date, working with our local partners RMI programs have reached 180 villages covering nearly 19,500 households, representing some 95,000 of the most vulnerable members of the mica ecosystem through our Community Empowerment Program (CEP).

The Community Empowerment Programs are based on four pillars, Enhancing Livelihoods, Improving Health and Nutrition, Offering Quality Education and Improving Social Security Coverage.

Main results achieved in 2023

Livelihood:

One of the objectives of the CEP is to promote additional means of livelihoods to increase family incomes and reduce economic dependency on mica alone. To this end, 14 new Common Facility Centers (CFCs) were created in 2023 and are being used by over 3,000 village households. The CFCs provide a gathering place for community members to meet, share best practices for improving their lives and learn about other CEP benefits. In addition, 82 advanced agricultural and livestock training courses were organized, attended by almost 3,500 community members. The aim of the training was to protect livestock and agriculture from any unforeseen risks, as these are the most valuable village assets for vulnerable mica pickers.

Self-sufficiency is a key strategy for village development and 1,357 households received support for developing family gardens to grow their own food. The program distributes seeds and provides capacity

building resources to organize and maintain backyard gardens. Moreover, 484 of the most marginalized mica workers benefited from asset-building support to sustain their livelihoods and improve their family income.

RMI sponsored 54 vocational training courses that were taken by 631 young people to equip them with the skills they need to earn a livelihood beyond mica picking. As well, 55 financial literacy sessions were attended by 2,145 individuals, mainly women, to build their capacity in basic financial management, such as record-keeping, passbook management, and opening and managing a bank account.

Health:

In line with the program's objective of improving health and nutrition, major initiatives were taken in 2023. A total of 49 health check-up camps were organized, utilized by 4,892 community members. The camps play a crucial role in assessing and addressing health needs within the community. In addition, 50 awareness-raising sessions were organized to educate adolescent girls about preventive health and hygiene measures. These sessions, organized in schools and villages, saw the active participation of nearly 4,200 adolescent girls, enabling them to acquire vital knowledge for a healthier future.

To meet the need for potable water, a fundamental requisite for public health, 14 new community based safe drinking water units were set up in 14 CEP villages, serving around 1,540 households.

Finally, the creation of 35 new Anganwadi Centers (AWCs) - rural childcare centers - has made it possible to help children in the crucial zero-to-six age bracket. These centers seek to ensure the children receive better nutrition, pre-school education and immunizations, among other essential services, which contribute to the general well-being and development of children within the community.

Education:

In 2023, following our goal of providing quality education, our programs awarded 211 scholarships to the most marginalized children. These scholarships enabled recipients to continue their education, thus reducing the risk of students dropping out. Similarly, nearly 1,700 children were linked to Balmanch programs designed for children aged 7 to 18. Balmanch programs are the result of collaboration between NGOs and government departments and foster child development and access to education.

Social Security:

In 2023, 13,726 community members were able to access government social security benefits. Use of these benefits help reduce household expenditure and enable families to redirect their limited financial resources towards better nutrition, education and small business development.



School Management Committee (SMC) workshop in Giridih, Jharkhand



Vocational training workshop for local youth in Bongadag, Jharkhand



One of the 49 health camps organized in the Jharkhand mica belt



One of the 49 health camps organized in the Jharkhand mica belt

Collective for Empowerment and Sustainable Action on Mica

विद्यालय प्रबंधन समिति सदस्यों
Capacity Building Workshop
Orientation & Training of SMC Members

Venue: U.M.S JHARADHAB Date: 15-16 MARCH 2024

Organized by:
Samajik Parivartan Sansthan, Giridih

Impact assessment

In June 2024, the BJSAM consortium will complete its program cycle. Starting in May 2024, [Improve](#), a nonprofit organization specializing in impact assessments, will conduct an in-depth third-party assessment of the current program. The recommendations of the evaluation will identify potential adjustments that could be made in the next program cycle. The report will be available to the public on the RMI website to maintain the transparency of our approach. The assessment will be in addition to quarterly monitoring by the implementing NGOs themselves as well as by an internal evaluation organized in May 2023 to measure mid-term progress and identify areas for improvement.

Advocacy and Legal Framework

Continuing our complex and long-standing advocacy efforts to achieve the formalization of the mica mining in Jharkhand, a task force was set up engaging various stakeholders including the government, the business community, workers, civil society, elected representatives, and legal experts. The task force, chaired by the Honourable Member of Parliament, Dr. Mahua Manji, meets quarterly to advance the advocacy agenda.

The government is moving forward to roll out the cooperative model and already has initiated the process in collaboration with various agencies including the Mining Department, the Geological Department, the Forest Department, the Cooperative Department and the Labour Department.

A white paper on composite licenses which would encompass initial exploration and operation has been drawn up and presented to the government, which has responded favorably to the idea of offering such licenses to local mica companies.

In addition, RMI is collaborating with the Jharkhand Mining Department to conduct a study of potential mica mining sites to be auctioned under a composite license. The study aims to assess the commercial potential and impact of mica on the local community.



LOOKING AHEAD TO 2024

Mica: the least known of the transition minerals

Strong demand growth to pose significant challenges

While mica is already used in a wide variety of industrial applications by different sectors of the economy, thanks both to its thermal and electric insulation properties and for its shiny appearance, its use is expected to expand. Increased focus on electrification and the green transition will play a key role.

Mica is in fact one of the transition minerals, already present in significant quantities in many electric vehicle batteries - up to 15kg for one car - and in electronic circuits. As a result, demand for mica is expected to grow substantially.

Given these major transformative trends and expected impact on the mica supply chain, RMI will maintain its holistic approach and focus on its three strategic pillars: promoting responsible workplace practices, empowering mica-dependent communities and supporting the development of a legal framework for the sector. Three projects that illustrate RMI action-oriented approach are worth highlighting.

Providing a living income or wage

A subject that remains at the heart of RMI's efforts and that RMI will continue to investigate and promote is the payment of at least a living income or wage.

At the Responsible Mica Initiative, we are convinced that paying fair prices to upstream mica pickers and workers along with contributions from other sources of income can provide at least a living income or wage and have an important impact on reducing child labor. If adults have sufficient wages and incomes to sustain their entire family, they will likely not bring their children to the mica mines. Worker remuneration, however, is a complex subject to tackle due to economies that are under pressure and the lack of supply chain formalization, formal payment systems or correctly enforced legal frameworks. Nevertheless, providing at least a living income or wage remains a decisive enabler in the fight against poverty, in the reduction of child labor, in the empowerment of communities, and in the self-sustainability of initiatives such as ours. As such, RMI will continue to work towards payment of at least living incomes and wages, despite the challenges.

To achieve this goal, in 2023, RMI published a study on the topic assessing the economics in India: ["Establishing Fair Mica Workers Incomes and Wages in India, and the Negligible Impact on Costs to Consumers"](#), by Basic. In 2024 a similar study on the mica sector in Madagascar will be released.



Accelerating efforts in Madagascar

Building on the foundation established in 2023 in Madagascar through its stakeholder mapping, network creation, and community needs assessments and tools development, RMI will kick start support to mining groups, related communities, and the overall mica ecosystem. The approach will utilize a similar – though context-adjusted – three pillar approach that has proved successful in India. With support of both local and international partners, in 2024 RMI's work in Madagascar will focus on formalizing an ASM miners' association, adopting responsible workplace practices, providing access to safe places and education for children, improving access to health services and promoting additional sources of family income such as small-scale farming and small business entrepreneurship.

Preventing disengagement

The global increase in voluntary guidance coupled with legislation and regulation related to human rights due diligence are improving awareness, driving action and have the potential to buttress RMI's work. But these efforts have the potential as well to lead downstream value chain members to disengage from a sourcing country that is seeking to improve lives in mining communities and thereby remove their principal source of livelihood. Aware of these unintended consequences, RMI remains focused on finding practical, high-impact solutions, that can take advantage of this momentum to protect human rights and vulnerable communities while avoiding supply chain members from disengaging from affected countries.



ABOUT RMI

A vision supported by a holistic approach based on three pillars

Each member has committed to support RMI's vision: A world in which mica supply chains are fair, responsible, sustainable, and free of child labor.

To achieve that vision, RMI's strategy has adopted a holistic approach – working toward three goals simultaneously – that addresses the use of child labor and unacceptable working conditions that affect the entire workforce.

First, RMI's approach recognizes the need for effective and sustainable improvements in the working conditions of mica mines and processing units. Secondly, RMI's Community Empowerment Programs elevate the social and economic conditions in mica-dependent communities, enabling parents to send their children to school rather than collect mica. Finally, by supporting adoption of a comprehensive legal framework to regulate the mica sector, RMI seeks to foster a responsible compliance-based industry across India and Madagascar.

2030 OBJECTIVES	1 Responsible Workplace Standards	2 Community Empowerment	3 Legal Framework
INDIA	RMI members ensure that all mica sourced in Jharkhand and Bihar is compliant with the responsible workplace standards for mines and processing units, and that workers within their Jharkhand & Bihar supply chains receive at least a living income reliant on a fair price for mica.	All mica-dependent villages in Jharkhand & Bihar are covered by RMI components of community empowerment programs thanks to a coordinated approach, ensuring that children have access to a quality education and that mica dependent household livelihood are improved.	All mica from Bihar and Jharkhand is purchased by RMI members, who are committed to resolving mica-related issues in their supply chain. All mica workers benefit from a clear and enforced legal framework.
MADAGASCAR	RMI members ensure that all mica sourced in Madagascar is compliant with the responsible workplace standards for mines and sorting sites, and that all workers within their Malagasy supply chains are receiving at least a living income reliant on a fair price for mica.	All mining communities have a decent life and can meet their basic needs without recourse to child labor, thanks to a coordinated approach.	All mica sourced from Madagascar and used by RMI members come from a formalized supply chain that respect the local legal framework.
GLOBAL	Ensure constant communication related to responsible workplace practices among RMI members and all mica supply chains.		International organizations promote and national governments adopt legal frameworks that support responsible mica sourcing practices.

A coalition for action answering growing sustainability expectations and calls for a more stringent regulatory framework

RMI closely follows the evolution of national and international efforts to promote responsible sourcing due diligence, respect for human rights, and calls for companies to take responsibility for improving their global supply chains.

RMI sees itself as a platform that provides its members with a unique way to respond to these increasing demands from regulators and society regarding mica through:

- The development of a transparent supply chain, enabled by a blockchain-based traceability platform and its use by all members to efficiently map and closely monitor their own mica supply chain.
- The implementation of Community Empowerment Programs, initially in India and soon in Madagascar, to eliminate child labor and unacceptable working conditions along RMI member mica supply chains.
- External audits that bring third-party, independent assessments of RMI programs and monitor progress by mica processors toward the implementation of responsible workplace practices.
- RMI support of local governments to structure and legalize mica collection which will further buttress efforts to mitigate risks that stems from informal markets and illegal supply chains.

Supporting these strategies will enable RMI members both to benefit from the work done by the Initiative and also to contribute to those efforts by making RMI strategies more efficient and aligned with today's increasing expectations for responsible supply chains.

Continuous global engagement with public policy stakeholders

Governments in India and in Madagascar

Throughout 2023, RMI pursued its engagement with the Jharkhand government in India, focusing its efforts on two parallel processes to legitimize mica mining. First, RMI advocates the release of fresh mining leases under the auction process for formal and semi-mechanized mica excavation, investigating the feasibility of composite licenses that would allow successful bidders to carry out both exploration and excavation of mica. Second, RMI had long supported the Dhibra Policy, released in March 2022, and is now actively advocating its effective implementation. The Dhibra Policy would enable the creation of mica picker cooperatives, the legal collection of mica waste or scrap - known as dhibra - and establish an auction process for dhibra collected under the auspices of the Jharkhand State Mineral Development Cooperation (JSMDC). To take these issues forward, a Mica Task Force was created at Jharkhand Government level, which includes key departments and other stakeholders such as CSOs and mica processors to continue to pursue these projects during 2024.

In Madagascar, RMI increased the number of roundtable discussions, workshops and visits, inviting different interest groups drawn from government, exporters and collectors to miners' groups and CSOs. Topics covered a range of subjects including traceability, workplace practices, formalization, and living incomes. The composition and topics also considered the priorities of national, regional and local interests in order to complete the design of and start implementation in 2024 of RMI programs for mica in Madagascar.

Intergovernmental Organizations and Industry Associations

RMI engages with many intergovernmental organizations and industry associations including but not limited to the OECD, UN Global Compact, Global Battery Alliance, and Responsible Minerals Initiative. The goal is to amplify and build support for RMI programs by sharing experiences and lessons with others. Through these relationships, RMI participated in multilateral meetings addressing human rights issues as well as responsible sourcing and supply chain improvement.



Community Empowerment Programs in Jharkhand, India

Balanced governance to ensure all voices can be raised

The creation of the Responsible Mica Initiative was proposed in 2017 in response to the resolutions reached at the 2016 Delhi Mica Summit where participants from industry stakeholders and civil society organizations active in the mica supply chain in India agreed to promote responsible working conditions and eliminate child labor. Accordingly, RMI was established with a governance structure consisting of a General Assembly, a Board of Directors and an associated Executive Team. The General Assembly meets twice annually and is comprised of active (dues paying) and associate (non-dues paying, non-voting) members who review and validate RMI's strategy, progress and budget and elect members to the Board of Directors.

Board of Directors

Rotating members of the Board of Directors serve two-year terms and are drawn from member companies or industry associations engaged in the mica supply chain and from CSOs. Elected members of the Board of Directors serve on its General Secretariat which is responsible for daily oversight of RMI and is comprised of a president, vice president, secretary, treasurer and other members in an administrative capacity.

The Board of Directors met 11 times in 2023 and is currently comprised of:

- **Karsten Müller**, Merck
RMI President
- **Grainne Le Fevre**, Terre des Hommes Netherlands
RMI Vice-President
- **Imogen Hosker**, Coty
RMI Secretary
- **Terry Hughes**, Elmelin
RMI Treasurer
- **Eduardo Lopez-Doriga**, CQV
RMI Administrator
- **Olaf Bollmann**, Porsche
RMI Administrator
- **Riaz Zaman**, World Coatings Council
RMI Administrator
- **Jérôme Courtaigne**, L'Oréal
RMI Administrator
- **Giuliano D'Antonio**, COSMOS
RMI Administrator
- **Rado Randrianatoandro**, RIMCO
RMI Administrator



Executive Team

Daily operations of RMI are managed by an Executive Team that is responsible for implementing directives from the semi-annual General Assembly, monthly input from the Board of Directors and regular support from RMI member Action Groups.

In 2023, the Executive Team consisted of an Executive Director, **Fanny Frémont**, and a Program Director, **Olivier Dubourdieu**, both based in France. **Vijay Jain**, Program Director, and **Gautham Eswar**, Workplace Standards and Sustainability Manager, are based in India and oversee our CEP programs and member audits and trainings workshops. **Marine Gourvès**, Country Manager, and **Franconi Manera**, Supply Chain Coordinator, joined RMI in 2022 and are based in Fort Dauphin, Madagascar, where they develop and implement RMI's programs in Madagascar, deploying RMI tools among local exporters, mica miners and members of the broader mica community.

In 2023, our Executive Team was strengthened with the arrival of **Morgane Nzelemona**, Responsible Sourcing Manager, and **Farid Fernandez**, Government, Public Affairs and Communications Manager, who will be tasked with extending RMI programs in their fields of expertise with members and public and private sector partners.



A multi-stakeholder approach that extends to a network of partnerships

Gathering expertise from RMI's network

At its inception, RMI emerged from a collective sensitivity to the mica supply chain ecosystem, bringing together a diversity of players united in their diversity around a common goal. RMI defines itself by this approach and extends it beyond its membership to a series of partnerships that have nourished RMI's programs with their experience and knowledge.

RMI is grateful to organizations and individuals who support its mission, some of them who even volunteer their time. The passion, expertise and experience they provide across a range of disciplines strengthen RMI's programs and offer valuable perspective.

AWIM (Association of Women in Mining, Madagascar) is a young association gathering professionals of mining and extractive industries. AWIM aims to bring a renewed vision of women and girls in all sectors of the mining industry to improve their living and working conditions.

Afai Consulting works with mineral supply chains across the globe and at every step of the supply chain. Their work focuses on supporting responsible mining practices in the upstream, from the mines to the refiners and processors. Afai Consulting accompanied the RMI in 2022 and 2023 to conduct a detailed stakeholder mapping of the mica supply chain in Madagascar, with the support of AWIM.

BASIC conducts social and economic analysis on value chains and on their governance and sustainability, with the objective of fueling the public debate and supporting the social and environmental transition of actors and territories. BASIC supported RMI in India, then Madagascar, applying their unique methodology to estimate prices, costs, taxes, and margins along the mica value chains and enabling scenario-based modelling.

Elucid leverages technology to enhance smallscale producers' access to quality healthcare and translates the impact into data for companies to meet compliance requirements and substantiate sustainability claims to consumers. In 2023, Elucid conducted a health context assessment at four mining sites covered by RMI's pilot program in Madagascar to feed the design of RMI's approach related to health care in the region.

RMI has **six local CSO partners** in India, organized in two consortia, **BJSAM** and **CESAM**, which employ more than 90 development professionals to implement the Community Empowerment Program. RMI's partners provide expertise in disciplines that promote social and economic development in underserved rural communities.

Bal Kalyan Sangh (BKS) is a NGO registered in Jharkhand, India. BKS closely works with vulnerable communities, especially women and children, and empowers the socially marginalized by providing need-based support. Since 2022, BKS has supported RMI in facilitating a multistakeholder dialog at the Jharkhand Government level, aiming to reinforce state mica-related policies.

Matthew Winokur is a communications and public affairs professional. He has been involved with RMI since its inception, first as a representative of an RMI member company and then as an independent advisor volunteering his advice on RMI communications strategy and materials.

La Colline is a Communication & Digital Marketing agency that helps its clients from the creation of their brand platform to the optimization of their digital presence. Since 2019, La Colline has been working with the Responsible Mica Initiative and has completed several projects including the website, flyers, videos and annual reports.

Tilkal is a supply chain traceability and trust platform for Industry 4.0. It combines a unique B2B blockchain network for secure and provable data sharing, with analytics and scoring algorithms to create an end-to-end, real-time representation of the supply chain. Tilkal supports RMI with a fit-for-purpose blockchain technology application designed to help RMI's members create transparent supply chains, assess sourcing risks, verify upstream ESG commitments and compliance.

The **Alliance for Responsible Mining** (ARM), is a leading global expert on artisanal and small-scale mining (ASM) that works to transform the ASM sector into a socially and environmentally responsible activity while improving the quality of life of artisanal miners, their families, and communities. ARM and RMI are collectively developing a mica branch of the CRAFT Code, a standard that provides tools to manage the artisanal and small-scale mining sector risks.

Buy Your Way is a consulting firm founded in 2013, whose core business is providing support for Responsible Purchasing practices. They help their customers translate environmental and social issues into their decision-making. In 2023, Buy Your Way supported RMI in adjusting its Global Workplace ESG and Due Diligence Standard for Mica Processors to the Malagasy legal and operational context.





MEMBERSHIP

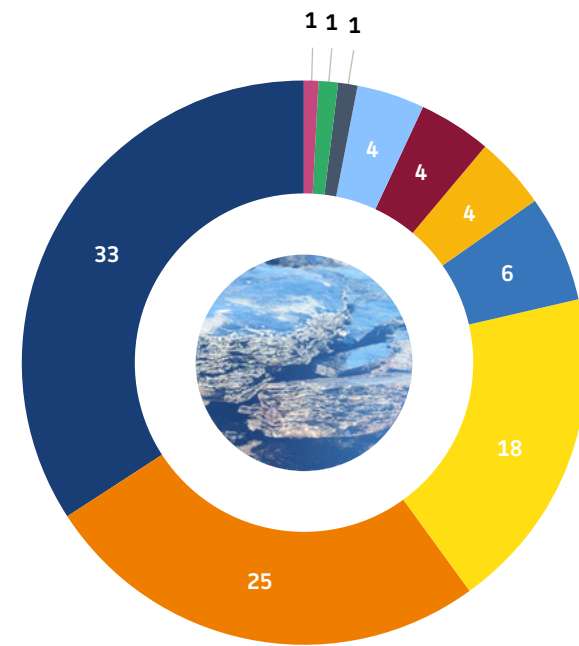
MEMBERSHIP



Membership composition

In 2023, we were excited to see a growing number of processors and exporters based in mining countries joined RMI and now represent more than a quarter of our members. A special highlight is the entry of more than 11 Malagasy exporters and processors who have proved to be integral allies in implementing our pilot initiatives. We also welcomed the growth of members from the automotive sector which now includes four leading OEMs. Importantly, members of the pigments and ingredients manufacturing sector who have been the mainstay of RMI programs retain their prominence and leadership in our organization. Finally, we note the growing presence of stakeholders located at the starting point of supply chains encompassing more than half of our members not only in our primary focus country India but also across Asia and in Madagascar.

As of December 31, 2023, our membership has grown to 97, a notable increase from the 82 members we had in 2022. The mica industry has shown remarkable support, aligning forces to catalyze positive change, in India and now in Madagascar.



Number of Members by Country	
India	19
China	17
Madagascar	11
Germany	10
France	8
United States of America	8
Japan	6
Netherlands	4
Sweden	3
Hong Kong	2
Italy	2
South Korea	2
United Kingdom	2
Austria	1
Brazil	1
United Arab Emirates	1

- Pigments & Ingredients (34%)
- Processing & Export (26%)
- Cosmetics (19%)
- Industrial applications (6%)
- Automotive (4%)
- Painting Coating & Printing inks (4%)
- NGOs & Others (4%)
- Plastic & Chemistry (1%)
- Mining & Collecting (1%)
- Traders (1%)

A coalition driven by its members:

As a dynamic multistakeholder coalition, the invaluable inputs from RMI members play a pivotal role in shaping the strategies RMI implements. The Working Groups serve as vibrant forums where members contribute their expertise to define RMI's approaches. In 2023, RMI's Thematic Action Groups held 13 sessions, contributing significantly to:

- Strengthening RMI audit processes and implementing the inaugural collective audit protocol.
- Initiating crucial discussions on implementing efforts to promote at least a living wage in India and Madagascar.
- Developing RMI's upcoming standard for mica mines based on the CRAFT code.
- Defining the baseline for RMI's Community Empowerment program in Madagascar.

Members are strongly encouraged to actively participate in one or more Action Groups.



The updated list of RMI members is available on our webpage:

<https://responsible-mica-initiative.com>

What the RMI Members do:

- Support and advocate for fair, sustainable, and responsible mica supply chains by championing recognized workplace, social and environmental standards,
- Collaborate with the RMI secretariat by sharing mica sourcing information through our secure traceability platform,
- Contribute through annual fees that fund RMI's programs,
- Access best practices, toolkits, and personalized training developed by RMI, with comprehensive documentation available on RMI's dedicated portal,
- Participate in the RMI decision-making process through the annual RMI General Assembly, and guide RMI's strategy and roadmaps,
- Leverage the collective strength of fellow members and partners to expedite the implementation of RMI's holistic programs, efficiently applying member-supported resources.



RMI 2023 General Assembly in Paris, France



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