

ANNUAL REPORT 2019



*A coalition for action towards a fair,
responsible and sustainable
Indian Mica Supply Chain*

 **RESPONSIBLE
MICA INITIATIVE**

Key figures



80

villages in Empowerment Programs benefitting
5,890 households, or **30,000** people



122

marginalized families
received financial
and technical support
to earn their
livelihood



308

children returned to
school



844

households accessed
alternative sources
of income



8

NGO partners
committed to
RMI's programs



157

dedicated volunteer
development
professionals on
the ground



200+

malnourished
children referred
to malnutrition
treatment center



9

health and nutrition
camps organized

Participation in
international supply
chain and Human
Rights events

6



3

pilots conducted for
implementation
of Workplace
Standards



5,500

households enrolled in
government health
insurance schemes



47

people at **19**
processing units
trained on RMI
workplace standards



59

RMI members
representing over
57% of India's
mica exports



45+

government
meetings

A multi-stakeholder, holistic and **impact-oriented** approach



Objectives

Enable 100% of mica supply chain participants in Bihar and Jharkhand to comply with globally recognized workplace employment, occupational health and safety, and environmental standards that include prohibitions on the use of child labor.

Enable 100% of the communities in mica collection areas in Bihar and Jharkhand to be reached by inclusive empowerment programs that provide improved standards of living, including additional sources of income.

Enable 100% of the mica pickers, owners and operators of companies participating in the mica sector in Bihar and Jharkhand to operate under a clear legal framework and associated control systems.

Beneficiaries

Mica collectors (*miners and pickers*) and processors (*workers and management*)

Mica belt communities in Bihar and Jharkhand

- Mica collectors (*miners and pickers*) and processors (*workers and management*)
- Mica belt communities

Program components

- Supply chain mapping
- Workplace Standards development
- Workplace Standards implementation
- External assessments

- Improved means of livelihood
- Access to quality education
- Improved nutrition and health
- Access to government schemes

- Review existing legal framework
- Discuss gaps and areas for improvement
- Support enforcement of inclusive regulation

Stakeholders involved

- Mica using industries, upstream to downstream
- Industry associations
- Technical experts

- Mica-dependent communities
- Local implementing partners and international CSOs
- Technical experts
- Local volunteers
- Local governments

- Governments and related administrations
- Mica using industries, upstream to downstream
- Mica-dependent communities
- CSOs
- Legal experts

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President letter



Dear Reader,

It is my pleasure to share with you the second annual report of the Responsible Mica Initiative.

RMI is a unique coalition for action founded in 2017 to create a responsible mica supply chain in India. I am pleased to report that our organization has made substantial progress in the past year. Within this report you can find many details, facts, and figures about our achievements, programs as well as our plans for 2020 and beyond. This year's report also shares stories about some of the lives we've touched and the relationships we've built.

RMI is built on a foundation of three program pillars, a commitment to a holistic strategy, and a firm belief in a multi-stakeholder approach. Together, these central elements of our work enable RMI to be results oriented and continually strive to have a direct impact by putting policy into practice. Our results clearly demonstrate the progress we've made across each of our program areas.

My personal highlights of the past year are the much broader reach of our community empowerment programs. By the end of 2019, RMI programs extended into more than 80 villages, double the number we were able to empower in 2018. Hundreds of households today benefit from access to improved nutrition, better education and enhanced health services. These accomplishments reflect the combined work of a broad network of organizations and individuals who share our commitment to eliminate the use of child labor in the mica supply chain by addressing its root causes. That growing network includes not only RMI's dedicated civil society organization partners, but also multiple stakeholders including government and village communities, local and international business community leaders, and a range of international governmental and non-governmental organizations. We have come far because of them and I am grateful for their support.

In light of these achievements and motivated by them, "strengthen, accelerate and enlarge" are the words for RMI in 2020. We will bolster our activities in the region guided by our four RMI member action groups. A growing base of members and supporters will further accelerate the progress we can make by executing our programs and plans. Cooperation and dialogue with institutions aiming towards the same goal will also help us to leverage our efforts and activities. Working together, the path forward is well defined.

Let me end with a personal note. I have been working for many years in the Merck Group, a science & technology company founded more than 350 years ago in Germany. Since I joined RMI, I have been impressed by a similarly clear vision throughout the organization and am energized by the dedication and passion of everyone involved.

Now, please enjoy reading our report. I hope you will share my appreciation for the great work of those who contribute to RMI's mission and join forces with us if you have not already done so.

Best regards,

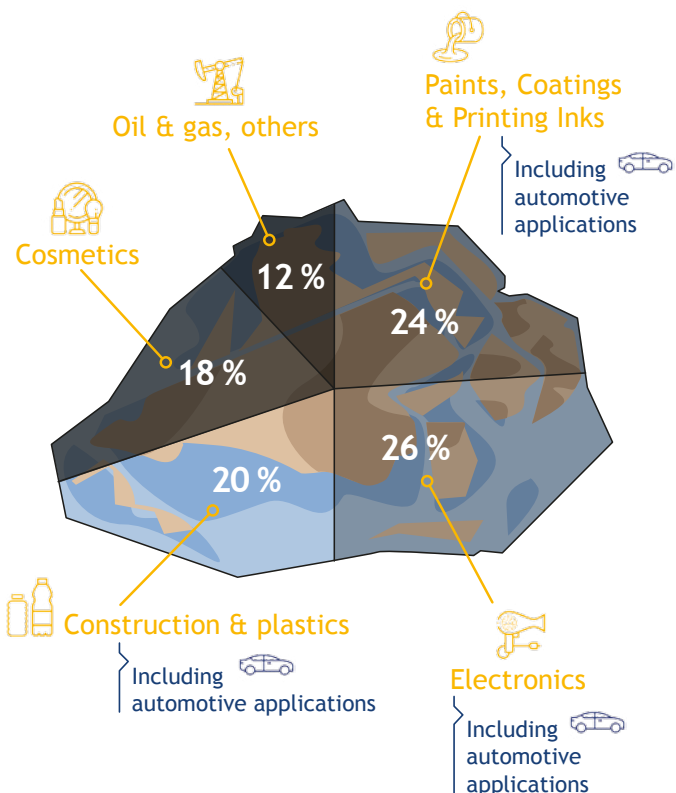
**Karl-Christian Gallert,
RMI President**

History, Mission, Pillars & Programs

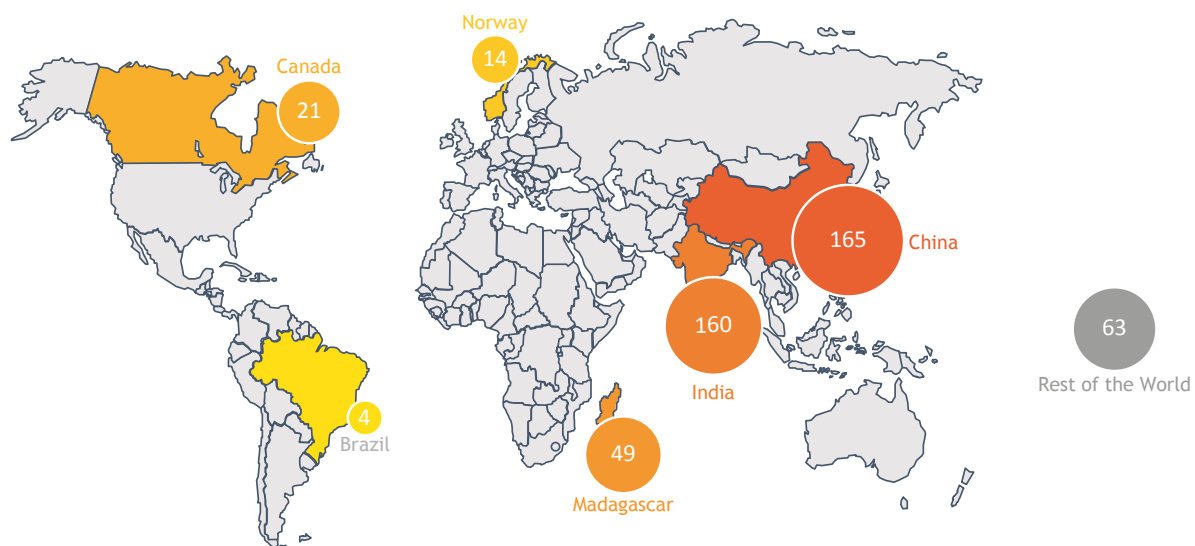
The Context of India's Mica Industry

Mica is 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 from phones and computers to capacitors. The construction and plastics industries use mica as a 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.

India is one of the world's largest sources of mica of which 75 percent¹ is collected in the so-called mica belt that straddles the eastern states of Bihar and Jharkhand. These are among the least developed regions in India. As a result of poverty and lack of available quality education, some families have had no recourse but to bring their children with them to collect mica to supplement their incomes. This practice prevails despite the fact that laws in India prohibit any form of work by children under the age of 14 and hazardous work by those under the age of 18.



Top export countries of mica in kilotons: UN Comtrade, 2018





Establishing Responsible Mica Initiative

In 2009, companies eager to find ways to tackle the endemic problems in the region that lead to the use of child labor began to take action independently and collectively. Initially, members of the cosmetics industry collaborated under the auspices of the Natural Resources Stewardship Circle². In February 2016, members of the global mica supply chain gathered in Delhi, India for the first Mica Summit which galvanized companies and civil society organizations (CSOs)³ to act and led to the formation of the Responsible Mica Initiative. In April 2016, Terre des Hommes, a globally recognized child rights organization, published its landmark report on child labor in India's mica industry, *Beauty and a Beast: Child Labour in India for Sparkling Cars and Cosmetics*, which increased awareness of working conditions. The Responsible Mica Initiative was formally established in 2017. By the end of 2019, RMI had grown to include 59 members from across the global mica supply chain, each committed to ending the use of child labor and improving working conditions in the mica belt.

Pillars and Programs

The strategy developed over the course of 2016 and 2017 and fully launched in 2018 identified the need for a holistic approach – working toward three goals simultaneously – that would address the use of child labor and poor working conditions. By transforming the underlying social and economic conditions with RMI's programs, communities could send their children to school rather than collect mica and have decent working conditions for themselves. RMI's three-pronged approach recognizes that the solution needs to

improve working standards in mines and processors and encourage a comprehensive legal framework governing the sector that, together, could enable a responsible, compliance-based industry across the entire region. At the same time, the social and economic welfare of the communities in the mica belt would need to be improved.

RMI's mission

RMI is a Coalition for Action Dedicated to Putting Policy Into Practice Applying Five Principles Every Day

RMI's principles <ul style="list-style-type: none"> • Think holistically • Be action oriented • Stay humble • Innovate • Collaborate above all 	Goal 1 Implement Responsible Workplace Standards	Enable 100% of mica supply chain participants in Bihar and Jharkhand to comply with globally recognized workplace employment, occupational health and safety, and environmental standards that include prohibitions on the use of child labor.
	Goal 2 Empower communities	Enable 100% of the communities in mica collection areas in Bihar and Jharkhand to be reached by inclusive empowerment programs that provide improved standards of living, including additional sources of income.
	Goal 3 Establish Legal Framework	Enable 100% of the mica pickers, owners and operators of companies participating in the mica sector in Bihar and Jharkhand to operate under a clear legal framework and associated control systems.

¹ Terre des Hommes 2016 Report, "Beauty and a beast: Child Labour in India for Sparkling Cars and Cosmetics." In 2018, Terre des Hommes published a second report on child labor in the mica industry outside of India.

² The Natural Resources Stewardship Council dissolved in 2019, after having achieved the objectives it set for itself at the time of its formation.

³ In this report we use the term Civil Society Organization rather than Non-Governmental Organization to include a range of non-market and non-governmental organizations following guidance in OECD: *Partnering with Civil Society 12 Lessons from DAC Peer Reviews*, page 7.

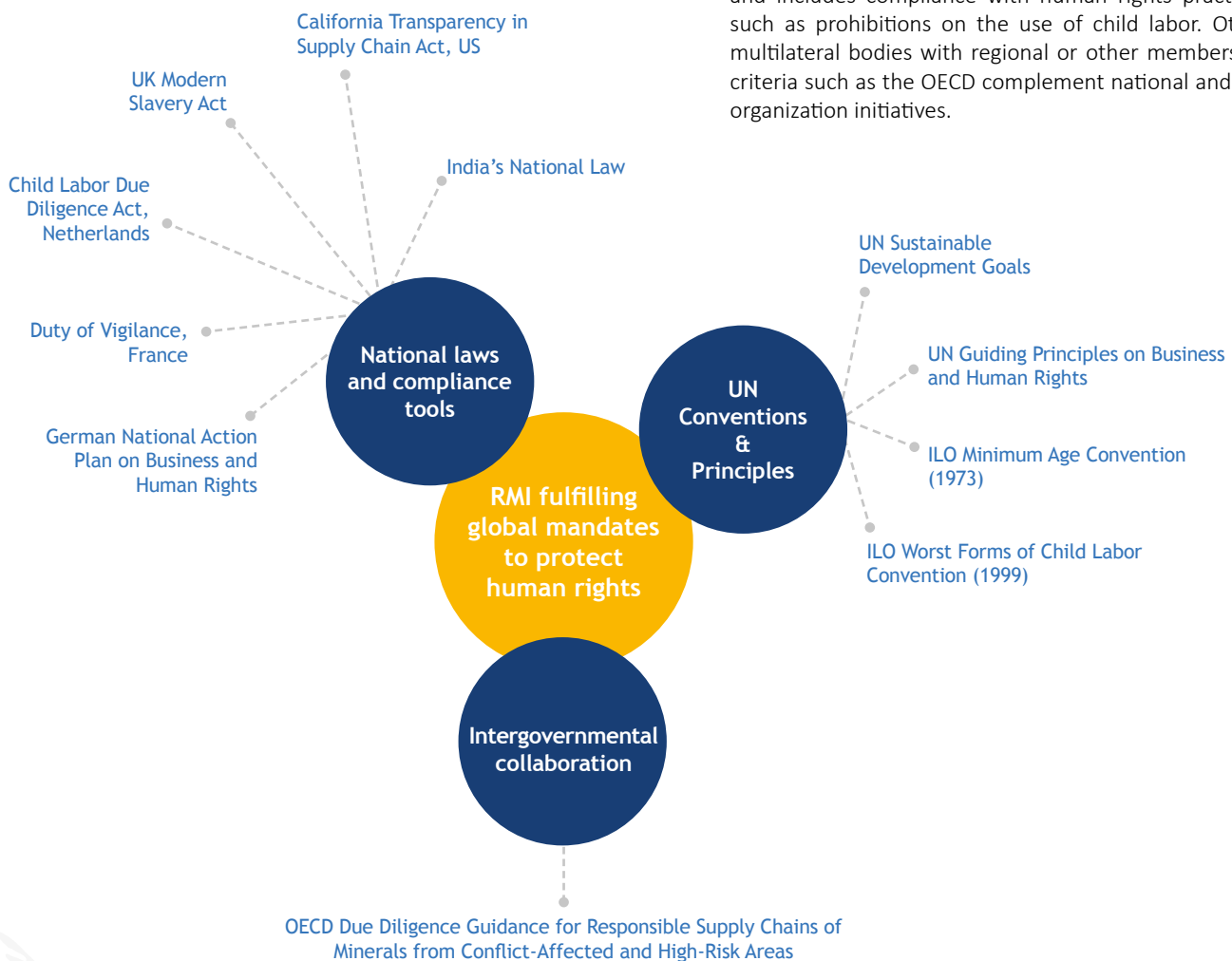
Establishing a Partnership Structure

The implementation of RMI's three program pillars – each aimed at achieving one of the goals – and RMI's long-term success rely significantly on the contributions of active members and key partners drawn from CSOs in India and around the world. They have contributed to strategy development, created the materials required to put plans into action and have begun to introduce components of each program pillar. RMI's partnership approach extends to other stakeholders as well, including community and government leaders, companies outside the immediate mica industry and industry organizations.

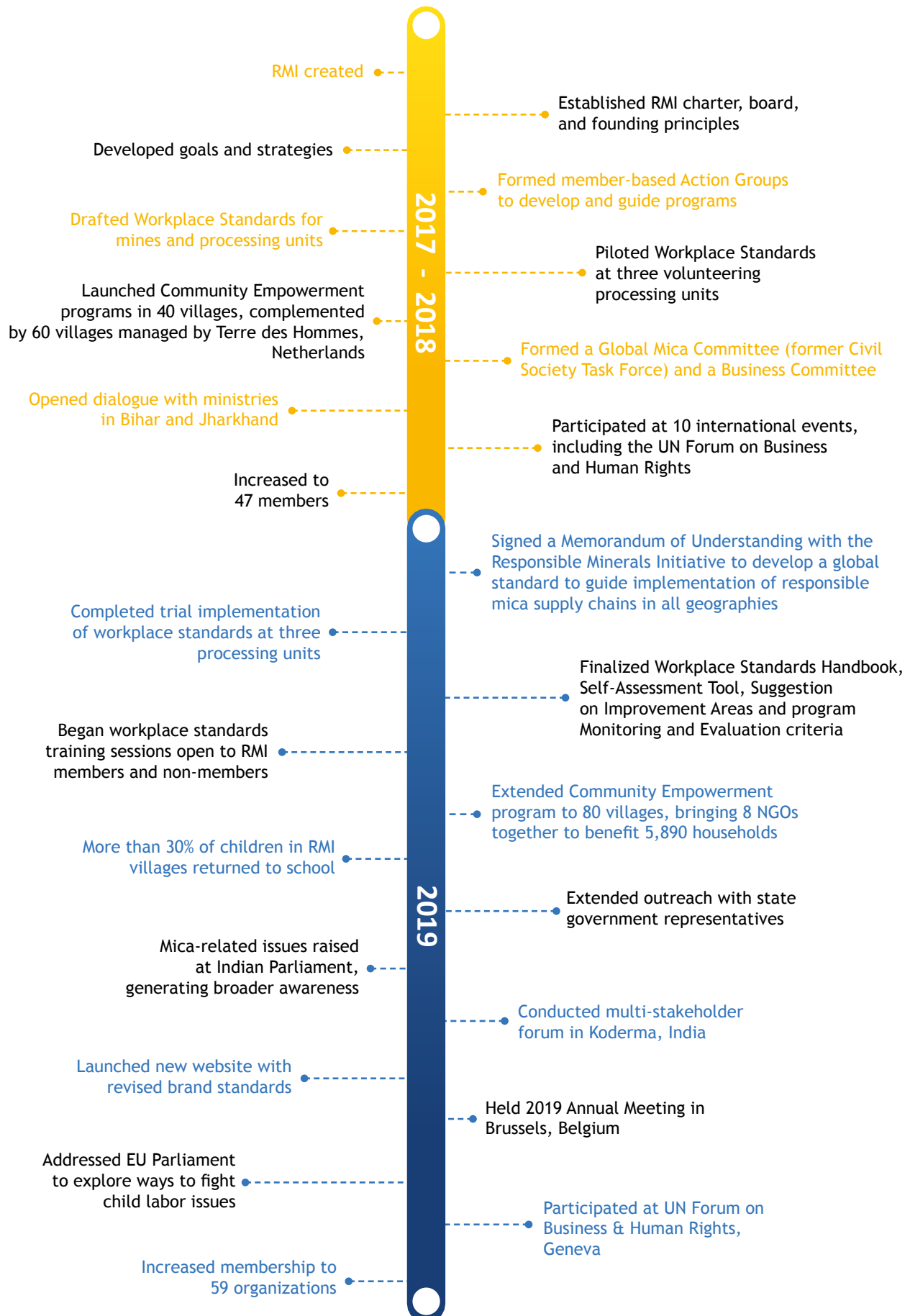
Fulfilling Global Mandates to Protect Human Rights

RMI members are keenly aware of both the legal and ethical expectations that guide responsible supply chain practices. In addition to enabling compliance with Indian law and respecting social conventions against child labor, RMI's programs fulfill a number of global mandates designed to facilitate responsible sourcing practices and protect human rights in the course of mitigating child labor and improving working conditions.

A growing number of countries require corporations to not only abide by laws and regulations that prohibit child labor and human rights abuses in their home country but also adopt similar practices wherever they operate. Since the International Labor Organization established the Minimum Age Convention in 1973, the UN has set key standards for fair labor practices. The establishment of the UN's Sustainable Development Goals (SDGs) in 2016 reinforced that commitment. SDG Goal 8 is committed to create "Decent Work & Economic Growth" and includes compliance with human rights practices such as prohibitions on the use of child labor. Other multilateral bodies with regional or other membership criteria such as the OECD complement national and UN organization initiatives.



Key historical milestones



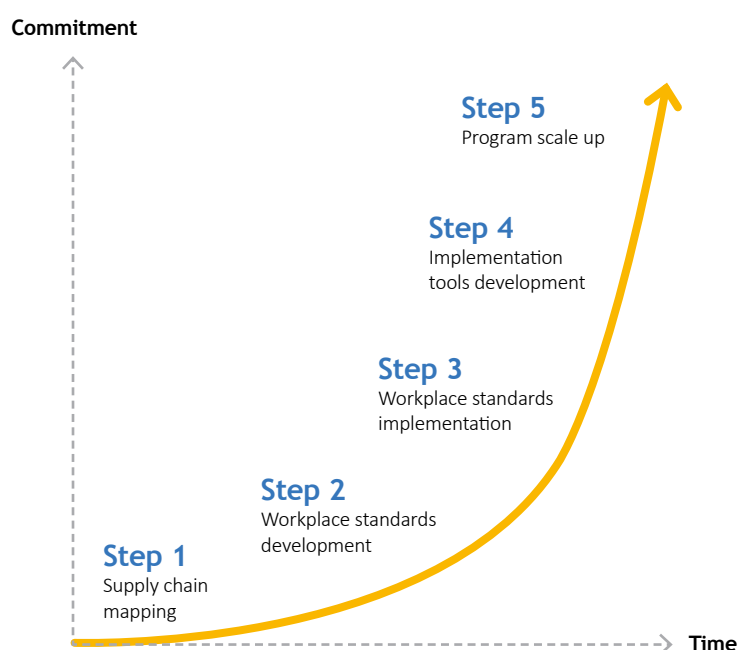
Three Program Pillars

Pillar 1: Implementing workplace standards

GOAL

Enable 100% of mica supply chain participants in Bihar and Jharkhand to comply with globally recognized workplace employment, occupational health and safety, and environmental standards that include prohibitions on the use of child labor.

Since its inception in 2017, the Workplace Standards program has adhered to a five-step implementation schedule. Each step was designed to establish a foundation for the next, providing insights and feedbacks to a growing number of program participants committed to improving workplace conditions and ending child labor.



Step 1 Supply chain mapping

All support tools were successfully developed by the end of 2017. Starting in 2018 and recurring annually, RMI members participate by sharing information about their supply chains originating in Bihar and Jharkhand. Member disclosures are protected under confidentiality agreements. This step identified businesses that should adopt workplace standards. The exercise also revealed that, when combined, RMI members and their supply chain in 2018 represented more than 57 percent of Indian mica exports by volume. Each new member is required to map its supply chain as a condition of membership.



Step 2 Workplace standards development

Responsible workplace standards were prepared during 2017. Their scope covers five aspects of sound employment practices including but not limited to prohibitions on the use of child labor.

Step 3 Pilot implementation

Three mica processors volunteered to adopt the standards in 2018 and early 2019. Their feedback enabled RMI to further refine the standards for relevance and ease of understanding. The pilot implementation also helped identify additional tools that would be needed to support the adoption of the standards as the program scales up and is used at more locations which would need to be able to apply the standards with minimal support. In tandem with the pilot implementation, two initial training sessions on the use of the standards were made available to all mica processors, regardless of whether the participating businesses were RMI members. In total, 47 local mica processors joined the two sessions, representing approximately two thirds of all companies processing mica in Bihar and Jharkhand.

Step 4 Implementation tools

The pilot program identified tools that would be needed as the programs scaled up. The tools were completed in 2019 and include five components: (1) a Compliance Self-Assessment Questionnaire that enables processors to identify aspects of their existing workplace practices which fail to meet RMI's standards; (2) a Suggestions for Improvement Protocol that assists management and workers in filling gaps between current and desired practices by implementing required workplace practices; (3) a Training Curriculum to facilitate the adoption of the workplace standards by both management and workers; (4) a Monitoring and Evaluation Framework that applies objective criteria to measure the effectiveness of implementation; and (5) a RMI Workplace Standards Handbook, a guide to implement RMI workplace standards in mica processing units.

Step 5 Scale-up

In 2020 and beyond, the Workplace Standards program will be expanded to reach more mica processors and extended to the mines as well. However, the ability to introduce workplace standards in the mines will require the adoption of legal framework to permit mica mining in the region. Mine operations became illegal due to the Forestry Conservation Act of 1980 which banned mining in selected areas in order to protect forests. Scale-up will be further supported through the development of multi-stakeholder exchanges, initiated in 2019, that will build a reliable and strong external assessment process regarding implementation of workplace standards.

Workplace Standards Scope

- **Legal requirements** ensure that businesses are duly registered, adhere to laws and regulations and pay taxes.
- **Social obligations** cover a wide range of fair labor practices such as age of employment, fair working hours, minimum wages and overtime, grievance mechanisms, freedom of association and diversity provisions, with special attention to women's rights.
- **Occupational health and safety provisions** address facility hygiene, the safe operation of equipment, personal protection requirements and access to first aid, child daycare and canteens.
- **Economic requirements** ensure that workers receive at least minimum wages and benefits.
- **Environmental standards** cover both the impact from operations on the surrounding environments, which include forests where the mines in Bihar and Jharkhand are located, and communities adjacent to the processors.

47



Managers and 19 processing units were trained on RMI Workplace Standards in 2019

Case study

Implementation of Workplace Standards at the Jai Mica Supply Company

The Jai Mica Supply Company Private Limited ("Jai Mica") is based in Giridih, Jharkhand which is located near the mica belt.

Given its extensive experience in the mica sector and familiarity with RMI members, Jai Mica volunteered to serve as one of the three pilot processing units that would evaluate the RMI workplace standards. A few months later, Jai Mica joined RMI as a member. The pilot implementation, which was launched in 2018 and completed in June 2019, led to a number of tangible benefits.



Firefighting training at Jai Mica Supply Company

Policies implemented

All policies and procedures enumerated in the RMI workplace standards which were applicable to Jai Mica were implemented.

Communication enhanced

The pilot improved communication between workers and management and also led to the creation of a Grievance Redressal Committee which enables workers and management to better understand and resolve concerns permanently and transparently.

Health and safety improved

Implementation required several training sessions for management and workers. As a result, employees at all levels contributed enthusiastically to the adoption of many new programs including new first-aid and firefighting and prevention protocols, health and hygiene practices and use of protective personal equipment.

Right awareness raised

The entire implementation process raised awareness about everyone's rights, roles and responsibilities that created a rewarding sense of empowerment for all.

These and other outcomes that emerged as a result of the pilot are now regularly checked internally by the company's Human Resources manager and further supported by a newly created internal auditing system that enables management to ensure the workplace standards are consistently followed.

“ The adoption of the RMI workplace standards has been an important step for us. It provided a more engaged and motivated workforce and enabled us to serve as model for our industry and our community. We're proud to have been an early adopter and look forward to our continued participation in RMI programs. ”

Mr. Ashok Kumar Jain, Managing Director,
The Jai Mica Supply Company Private Limited



Frequent trainings organized in Jai Mica offices



Pillar 2: Empowering communities

GOAL

Enable 100% of the communities in mica collection areas in Bihar and Jharkhand to be reached by inclusive empowerment programs that provide improved standards of living, including additional sources of income.

Strategy

Poverty and lack of resources make the communities in the mica belt vulnerable to exploitation and unduly dependent on mica as a source of income. As one of the consequences, some of the children in the region are taken out of school and involved in mica related labor to supplement their family income. RMI's second program pillar is devoted to community empowerment, a combination of initiatives designed to improve the social and economic conditions in the villages that provide the workforce at mica mines and processors.

Programs begin in each village with a detailed, survey-driven baseline assessment aimed at identifying their unique needs in order to develop programming relevant for their communities. By the end of 2019, RMI programs were in place in 80 of these villages – twice the number at the end of 2018. The programs directly affect the wellbeing of more than 5,890 households, or around 30,000 people. Innovative and scalable solutions have begun to improve the wellbeing of both the children and adults in the communities by enhancing access to quality education, improving economic conditions by introducing additional sources of livelihood, increasing access to nutrition and health services and facilitating access to government services.

Community empowerment programs underway in

80

villages benefiting

5,890 households



Structuring partnerships

The Community Empowerment program was developed and undertaken with the support of eight local Civil Society Organization (CSO) partners and with the guidance of Terre des Hommes Netherlands. These eight CSOs are organized under two consortia, the Collective for Empowerment and Sustainable Action on Mica (CESAM) and the Bihar and Jharkhand Sustainable Action on Mica (BJSAM), responsible for 40 villages each. Over the course of 2019, a larger CSO network was further strengthened under so-called Global Mica Committee, comprised of organizations knowledgeable about the mica belt in addition to RMI's 8 partners. The Global Mica Committee provided a forum to share ideas and experience acquired as the Community Empowerment program expanded. Participants also continued to serve as a vital on-going link between villagers and government leaders. In 2019, the Global Mica Committee prepared a white paper on specific issues encountered by and demand from mica-dependent communities that was shared with members of all political parties. The white paper raised awareness and facilitated dialogue with political parties, elected state and central governments' representatives, and Panchayat (local village councils) representatives around issues related to mica-dependent communities.

Community Empowerment Program Components

• Improved livelihood

Increasing access for families to sources of income that could both improve wages from mica collection and develop alternative livelihoods such as farming and animal husbandry. Reducing household expenditures as an additional tool to increase livelihood.

• Access to quality education

Improving education by strengthening school management and classroom environments, developing school leadership and teacher capabilities and creating democratic forums that will provide meaningful engagement opportunities for parents.

• Nutrition and health programs

Providing access to health care and improved nutrition for the population as a whole and especially children and women.

• Government support

Enabling mica collector families to have increased access to government programs and support through strengthened village institutions.

2019 Achievements

The Community Empowerment program established long-term targets based on the initial needs identified during baseline surveys. Target setting also provides the opportunity to measure annual progress, a key commitment by RMI that serves to monitor and evaluate progress. By the end of 2019, RMI programs delivered significant results.

Livelihood



844 out of 4,900 targeted mica-dependent households have **improved sources of income through alternative means** of livelihood including agriculture, animal husbandry and tailoring.



122 out of 320 targeted most marginalized families received **technical and financial support** that enabled them to earn a livelihood with dignity.

Nutrition and health



More than 30 percent of 674 **malnourished children** receive **adequate nutrition** by providing access to Malnutrition Treatment Centers.



9 out of 76 targeted health camps were utilized during the year **by more than 3,300 villagers**.



~5,500 out of 5,890 households have been linked to a **health and insurance program**.



3 safe drinking water systems have been installed at the community level benefitting more than **600 households**.

Quality education



More than 30 percent of 940 **out-of-school children** are **back in school** on a regular basis.



41 out of 67 targeted schools have **effective School Management Committees** to monitor progress.



7 out of 40 targeted government **schools are now equipped with libraries**.



17 out of 38 targeted Anganwadi Centers (AWCs) have been **transformed into model AWCs**.

Government support



41 out of 160 targeted **interface meetings were organized**, aimed at bringing government agencies into villages.



From 40 initially targeted, 130 community volunteers were included in program and received **their first round of training to help their fellow villagers** access social security resources, identify government agencies to fulfill special needs, link with local School Management Committees and foster skills to promote child forums where children can voice their concerns.



13 meetings were organized between **Panchayat** (village leaders) **representatives and policy makers**.



Case studies

Anita Kumari returns to school

Anita Kumari is a 13-year old girl who sadly was forced to leave her studies after the death of both her parents. Anita lives in Parsoni village of Gawan block⁴, Jharkhand, with her two brothers Bhim Kumar and Guddu Kumar, one of whom is married, thus creating a family of four adults but with only one income earner in the household. That sole income was not sufficient to support the entire family and, as a result, Anita left school and became involved in mica collection to contribute to her family's income.

One of her school friends, Leelawati, and the secretary of Bal Manch (Child Forum), Bhikhi, enquired about her absence in school and learned of the issues she faced at home. Anita's situation was discussed among other Bal Manch members who decided to bring her case to the attention of one of RMI's local CSO program partners, Samajik Parivartan Sansthan (SPS), a member of the CESAM consortium, to implement RMI's community empowerment programs.

Bal Manch members proposed that Anita receive a scholarship that would enable her to contribute to her family's income and return to school. SPS quickly evaluated Anita's case and not only provided her with a scholarship for continuing education but also secured support from CESAM and SPS staff to help her assimilate into school at the appropriate grade level after having missed classes. CESAM also helped her brother appreciate the importance of Anita's attendance at school and the role he could play in her development in the absence of her parents.



Access to social security programs for Anita Devi, in Nimadih Village, Jharkhand

Anita Devi is a 28-year old woman living with her family in Nimadih village. Her family is one of many that depends on mica collection for their household income from which they earn approximately Rs. 6,500 (approximately 80€) per month.

Anita had been suffering from cataracts in both eyes that severely limited her vision. Before RMI programs came to Nimidah, she and her family had little access to the health resources required to treat her condition. Through RMI's government support program, Anita was able to obtain an Ayushman Bharat card which gave her access to a social security program that includes significant medical benefits. Thanks to this program, Anita was able to have a surgery on one of her eyes, utilizing Rs 24,000 (approximately 300€) for both medical treatment and corrective lenses. She is now in the process of utilizing her Ayushman card a second time in order to obtain surgery for her other eye.



Increasing productivity of paddy rice fields for Mrs. Munia Devi

Prior to being involved with RMI's program, Mrs. Munia Devi used traditional paddy farming techniques on her two Katthha (300m²) plot of land. Using traditional seed and with the help of five to six laborers, her efforts would yield 70-80 kg of rice. Her crops would typically sell for about Rs 1,440 (approximately 18€). The success of each year's crop also was dependent on access to adequate irrigation at least twice during the entire crop cycle.

With the assistance of RMI and one of its local partners, the Abhivaykti Foundation, Mrs. Devi was taught modern paddy farming practices known as Sri Vidhi. She was introduced, as well, to Anjali, a hybrid, rotational, high yielding paddy seed supplied by the Central Rainfed Upland Rice Research Station of Jharkhand. As a result, the same two Katthha plot produced 180 kg of paddy in 2019, more than twice the yield produced in prior years, and boosted her income to Rs 3,240 (approximately 40€). Better agronomy practices and seed also enabled her to reduce labor requirements to just three laborers and almost eliminated the need for irrigation. This efficient technology has helped many people like Mrs. Devi, who is 50 years old, to lead a modest farming revolution that can enable others in mica belt villages enhance their sources of alternative incomes through robust agricultural activities.

“ I am overwhelmed to see the crop productivity in my small field. This year it was more than doubled with reduced labor cost and irrigation expenses. This year I have earned almost 3,300 rupees which is 1,800 rupees higher than last year. This has proved highly successful for me. Now I share my success story with other people in the village. Many villagers decided to follow me the next year. ”

Munia Devi

Terre des Hommes Netherlands

By the end of 2019, RMI Board member Terre des Hommes Netherlands (TdH-NL) completed four years of parallel work to promote child rights in the mica belt of Jharkhand. Its programs grew to cover 61 villages with the collaboration of four local NGO partners. Combined with the work of RMI, the lives of thousands have been improved in a total of 141 villages. TdH-NL achieved phenomenal progress in bringing education resources to children and support to families in its endeavors to eliminate child labor practices. Importantly, TdH-NL also advanced its broader mission to eliminate child labor with the publication of its report on child labor in the mica supply chain in Madagascar. The report focuses on the upstream supply chain in Madagascar and on downstream participants in China and among end users. For more information on TdH-NL programs, please visit [Terre des Hommes Netherlands](#)



⁴ A block is an administrative region

Pillar 3: Establishing a legal framework

GOAL

Enable 100% of the mica pickers, owners and operators of companies participating in the mica sector in Bihar and Jharkhand to operate under a clear legal framework and associated control systems.

Strategy

A permanent solution to the use of child labor and the prevalence of poor working conditions in the mica sector requires a clear, inclusive and enforceable legal framework throughout the region. The passage of the Forest Conservation Act of 1980, which banned mica mines in the region's forests, created a vacuum which – in absence of further discussion and alignment with other government departments – led to the proliferation of unregulated mines. Some processors who received mica through unregulated channels sought to avoid regulatory oversight which led to a deterioration of working conditions at some processors as well as in mines.

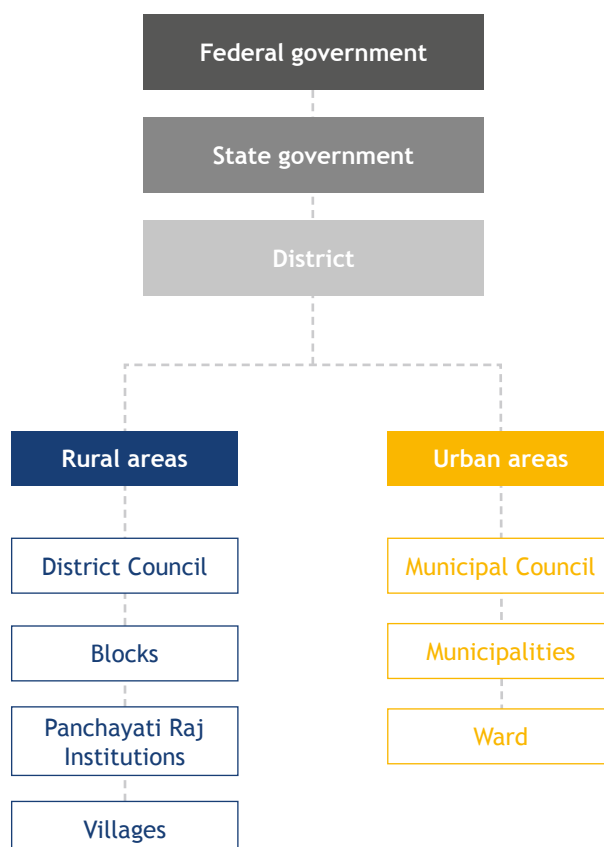
To reverse this trend, RMI is working with various stakeholders including CSOs, local mica businesses, various government agencies, sector experts and other interested parties. A multi-stakeholder approach was chosen to ensure that components of a legal framework would incorporate multiple perspectives and address a range of workplace health and safety provisions, workers' rights to fair treatment and prohibitions on the use of child labor.

To contribute to the analysis and recommendations for a legal framework, RMI created a Business Committee comprised of industry leaders in the region as well as a GMC comprised of CSOs that are active in the mica sector and adjacent communities. In-depth knowledge of the commercial dynamics of the mica industry coupled with Global Mica Committee participants' understanding of the local communities provided realistic perspectives on the gaps within the current legal framework. Just as important, participants of both Committees insights into the day-to-day lives of workers, operations of mines, processors, exporters and other businesses that support the mica sector as well as government officials will support the development of laws and regulation that are effective and enforceable.

Building Consensus and Understanding

In 2019, RMI sought the advice of FTI Consulting, a leading global business advisory firm dedicated to helping organizations manage change in a variety of disciplines including finance, law, politics and regulation. FTI was asked to review the existing legal framework governing mica in Bihar and Jharkhand and recommend steps that could be taken to improve the legal framework for the sector. The recommendations included the need to build consensus on practical measures that need to be considered to create a legal framework and engage a cross section of interests ranging from village leaders in individual Panchayats and regional businesses involved in the mica sector to policy makers.

Institutional Structure in India





Multi-stakeholder Platforms

On September 30, 2019, RMI convened a multi-stakeholder meeting in the Koderma district of Jharkhand that included representatives from three administrative levels. In addition to District (or county) level representation, participants were also invited from Blocks – administrative regions responsible for managing government programs for groups of villages – as well as from the Panchayats or individual villages. More than 75 participants attended including representatives from political parties, Panchayat institutions, businesses, CSOs, worker representatives and selected government departments. The event was designed to establish a dialogue to discuss and draft an inclusive mica policy covering the interests of all parties engaged in the mica sector. Mrs. Shalini Gupta, Chairperson of the Koderma District Council, led the meeting. As a result of the meeting, a first draft on an inclusive mica policy was developed. The draft will be reviewed and formally endorsed by the participants before its provisions are implemented to help prepare the foundation of a legal framework.



Efficient multi-stakeholder dialogue toward an inclusive mica policy

Global Mica Committee

During 2019, two Global Mica Committee meetings involving CSOs and mica exporters were organized in India. The focus of the Global Mica Committee has been to identify and map the villages that rely significantly on mica collection for their livelihood. To achieve this objective, eleven Block level consultations were organized in the Koderma and Giridih districts of Jharkhand and in the Nawada district of Bihar, which together were attended by more than 115 elected Panchayat representatives. The consultations were instrumental in sensitizing the village leader representatives of each Panchayat by drawing their attention towards mica issues and their effect on marginalized communities. Committee members also had series of meetings with various political parties to draw their attention to the multiple issues and needs within the mica communities and to raise awareness of conditions among political party leadership.

Business Committee

The Business Committee provides the link between mica exporters, processors and mine owners to the government. Members discuss mica-related issues in order to think collectively about potential actions that can positively affect the mica community at the village level. In 2019, the Business Committee focus was on leading policy level discussions with the state government's Mining Department, political leaders and other key government officials in order to create a robust and sustainable legal framework for the mica sector. A series of meetings were held with specific government officials as well as the National Commission for Protection of Child Rights (NCPCR) and political leaders. Business Committee members also participated in various community level programs organized by CSOs aimed at creating a collaborative environment and bringing additional support for community empowerment initiatives.

Members of both the Business Committee and the Global Mica Committee held discussions with Parliamentarian Mrs. Annapurna Devi, who represents the Koderma district of Jharkhand in the Indian Parliament. The dialog centered on the existing policy environment that affects mica businesses and the oppressed communities whose livelihood depends on mica picking. Responding to these concerns, in August, Mrs. Annapurna Devi raised issues affecting the mica sector and the marginalized mica community in the Indian Parliament where she called on central and state ministries to take actions to revive the mica industry in order to safeguard the livelihood of more than 300,000 marginalized mica pickers in the region. Her leadership has played a key role in raising greater awareness of the plight of the mica community and the need to create a responsible and sustainable mica supply chain that can support both the mica industry and its dependent communities.



Parliamentarian Mrs. Annapurna Devi addressing the audience about mica-related issues



Engaging & communicating with global stakeholders

A critical component of RMI's strategy is the commitment to listen to understand and benefit from multiple perspectives regarding the implementation of responsible sourcing practices, responsible working conditions and community empowerment and to demonstrate RMI's contributions toward finding solutions. The relationships that were established in RMI's start-up phase continue to inform and enrich RMI's work and were expanded in 2019. A number of engagements also confirmed the relevance of RMI's multi-stakeholder approach.

Governments and States

In 2019, the European Parliament provided an important stage that broadened the visibility of the global efforts to eradicate child labor. In commemoration of the 30th anniversary of the adoption of the UN Convention on the Rights of the Child (CRC), European Parliamentarian Hilde Vautmans (Belgium – Open Vlaamse Liberalen en Democraten) hosted two sessions dedicated to the fight against child labor. The first session included a call for clear legal frameworks to serve as a foundation for facilitating enforcement and creating voluntary initiatives to address the problem. At the second session, 2019 RMI Executive Director Fanny Fremont hosted a panel that explored ways to address the child labor crisis. Panelists included Nils Oldenburg, RMI President, as well as speakers from Terre des Hommes Netherlands, the International Cocoa Initiative, retailer H&M and UNICEF. The session provided an opportunity to explore in detail ways to remedy this crisis and exchange best practices among different industries and organizations that share a common goal.

Intergovernmental organizations

ILO Child Labor platform

As in 2018, RMI had the opportunity this past year to participate at the 10th annual global meeting of the ILO Child Labor platform whose goal is to identify obstacles that impede the implementation of the ILO's conventions to prevent child labor. This event brings together a wide variety of stakeholders, from individual industry members to multi-stakeholder organizations such as RMI and the International Cocoa Initiative, to discuss estimates of child labor in supply chains, share participant experience developing and implementing company due diligence systems, compare innovative solutions to fight child labor and find areas for collaboration to further increase program impact and opportunities for success. Further building on its relationship with the ILO, RMI invited Thomas Wissing, Head of Advocacy and Partnerships Unit, Fundamental Principles and Rights at Work Branch at the ILO, to speak at RMI's 2019 Annual Conference that took place in Brussels.

Organization for Economic Cooperation and Development (OECD)

At its forums, the OECD brings together subject matter experts to exchange ideas and promote policies and programs. Building on 2017-2018 achievements, RMI Executive Director Fanny Frémont was invited to speak

at the OECD's 2019 forum on Responsible Minerals Supply Chains, one of its key annual events addressing responsible sourcing and attended by participants that work at every stage of the supply chain. RMI participated in two sessions, one covering the inclusion of artisanal and small-scale miners in global supply chains and a second discussing how to apply a gender lens to due diligence and responsible mineral supply chains.

UN Forum on Business and Human Rights

The UN Forum on Business and Human Rights is the world's largest annual gathering on business and human rights. At plenaries and dozens of workshops, participants tackle more than 70 topics that relate to the UN Guiding Principles on Business and Human Rights. [In 2019, RMI's Executive Director, alongside other experts in the sector, had the opportunity to participate as a speaker on a panel devoted to mica mining in India.](#) Panelists offered case studies on projects that had been implemented over several years in order to eliminate child labor. RMI explained elements of its innovative, multi-stakeholder, impact-oriented strategy and program accomplishments to emphasize how RMI addresses the UN's global mandate and helps companies meet their due diligence obligations which are key component of the UN Forum's goals.



Industry organizations



Responsible Minerals Initiative

The Responsible Minerals Initiative is a widely respected resource for more than 350 companies from a range of industries addressing responsible mineral sourcing in their supply chains. For a second year, RMI participated as a speaker at the Responsible Minerals Initiative's annual conference in Santa Clara, California. The meeting also was an opportunity to announce the Memorandum of Understanding (MoU) that was signed earlier in the year between the Responsible Minerals Initiative and the Responsible Mica Initiative. Formalizing collaboration between the organizations will create synergies that will enable both organizations to address their members' common goals by exchanging information, tools and resources and developing a

global mica workplace standard that together will enable companies to conduct due diligence, secure their mica supply chains, and promote the understanding of mica use and applications in various industries.



Society of Cosmetic Scientists

The Society of Cosmetic Scientists (SCS) promotes education, research and collaboration to advance the science of cosmetics. SCS organizes the UK's largest annual event focusing on raw materials, ingredients and formulation services used in creating personal care and cosmetics products. RMI had the opportunity to present its programs during this event, represented by RMI Board member Eduardo Lopez-Doriga, from CQV.

Media

Media have reported on the poor working conditions and use of child labor in the Indian mica sector for a number of years and publications in 2019 continued to draw the public's attention to child labor in the mica supply chain. Cosmetics and fashion publications reported on this issue, and soon other industry specific media such as those in the electronics, and paints and coatings sectors followed with their own coverage. The child labor issue also continued to be reported in general news publications in India, North America and Europe. Fair and balanced reporting can be a favorable development as the attention may direct more resources to address the child labor issue. In late 2019, attention was also raised on child labor issues in Madagascar's mica sector following the publication of a report by Terre des Hommes Netherlands on conditions there.

Research studies

Two important and widely covered studies were published in 2019 that brought further attention to child labor conditions in the mica sector.

National Commission for Protection of Child Rights

In August 2019, India's National Commission for Protection of Child Rights (NCPCR) published a survey on ["Education & wellbeing of children in mica mining areas of Jharkhand & Bihar"](#) based on research conducted in 2018. The objectives of the survey were to determine the educational status of children in the mica mining areas of Jharkhand and Bihar, the number of out-of-school children and the involvement of children in mica collection as well as to assess the presence of CSOs in the area. RMI welcomed the survey's findings and recommendations which align with RMI's own evaluation of conditions and multi-stakeholder approach.

The NCPCR survey documented a **significant number of out-of-school children working in mica collection**, the lack of quality education and the presence of malnutrition among children in the mica belt.

The survey proposed **an approach that is consistent with RMI's strategy**, recognizing the important role that NGOs associated with other CSOs, such as RMI's partners, can play to address poor conditions in mica belt communities.

The survey concludes by **recommending programs** that can ensure 100 percent attendance in school, improve child nutrition, enforce existing national health care and benefit schemes, and formalize the mica sector.

Child Labor in Madagascar's Mica Industry

In November 2019, leading child rights organization and RMI Board member Terre des Hommes Netherlands published [Child Labor in Madagascar's Mica Sector](#). The report focused on the mica industry in Madagascar in the same way its 2016 report on the mica sector in India helped galvanize action to address the situation there. The Madagascar report, published in conjunction with the 30th anniversary of the UN Convention on the Rights of the Child, also coincided with RMI's Annual Meeting. The report received significant media attention, including coverage on a leading US television outlet.



Looking ahead

Strengthen RMI's approach

Since 2017, RMI has demonstrated that its multi-stakeholder, holistic and impact-oriented approach leads to tangible and sustainable results. Looking ahead and as a prerequisite for program acceleration, RMI plans to work on both refining its current methodology and implementation tools as well as monitoring progress and programs to identify where existing solutions may not be sufficient and could be improved. In addition to the current Monitoring and Evaluation protocol created for the Community Empowerment program, additional quantitative and qualitative assessment tools will be designed to assess other programs. In addition to enabling RMI to monitor results and demonstrate progress against initial baseline assessments, other tools will ensure the continuous improvement of RMI's approach.

Accelerate RMI's development

While villages in which RMI's community empowerment programs are implemented grew from 40 to 80 in 2019, further acceleration of RMI's community empowerment program remains a priority. To ensure robust and efficient programs, RMI will commission an external impact assessment. With the benefit of its findings, a "model-village concept" will be then developed which could be used to scale-up programs for additional villages that are beyond RMI's current scope. The implementation of workplace standards is planned to expand with multiple training sessions conducted at processors and, in conjunction with the creation of a legal framework for the sector, at mines. As all three programs continue to grow, RMI's multisector partnerships will continue to expand organically as well.

Enlarge RMI's impact

Beyond current scope

RMI's Indian programs continuous improvement and broadening is one key objective RMI is permanently pursuing. Programs' scope can be widened in India, by adding more villages in the Community Empowerment program, inviting additional mica processing units to implement RMI's workplace standards and by improving existing tools and adding new ones to enhance program monitoring and evaluation. Creation of a legal framework will remain an important component of a sustainable mica sector.

Beyond India

✎ The publication of [Child Labor in Madagascar's Mica Sector](#) by Terre des Hommes Netherlands and its 2018 report, [Global Mica Mining and the Impact on Children's Rights](#), has brought constructive attention to the use of child labor associated with the mica industry beyond India. RMI's current work is focusing on the mica belt in Bihar and Jharkhand. However, RMI is willing to share its experience and program model with organizations that want to address mica-related issues in other countries. The model-village concept was conceived, in part, to expedite the export of RMI's work in India to other parts of the world.

Across industries

RMI members currently reflect a wide range of several industries, from mica processing to pigment, cosmetics, paints and coatings manufacturers. However, mica is found in a significant number of other industries (among which automotive, plastics, electronics, oil & gas, ...). RMI will continue to solicit membership and support from all sectors whose participants benefit from mica's diverse properties in order to further advance the impact and transformational power the organization can have.

RMI is eager to discuss partnerships and memberships that will increase program scope in India or globally and across industries. We welcome interest among other organizations using mica that are committed to ensuring the mica they use is sourced from a secure, responsible and sustainable supply chain that is free from child.

Governance

The creation of the Responsible Mica Initiative was proposed in 2017 in response to the resolutions reached at the 2016 Delhi Mica Summit where government representatives and participants from industry and CSOs 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 General Secretariat, and an Executive Team. The General Assembly meets twice annually and is comprised of active (dues paying) and honorary (non-dues paying) 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. In 2019, Mathias Lergenmüller, RMI's first President resigned from the Board and was replaced for the remainder of the year by Nils Oldenburg. Their contributions have been critical to the success of the organization.

The Board of Directors met 11 times in 2019 and a new Board of Directors, elected during the November 2019 General Assembly, is comprised of:

Karl-Christian Gallert, Merck KGaA
RMI President

Carel Kok, Terre des Hommes Netherlands
RMI Vice President

Dave Howson, Coty
RMI Secretary

Nisrine Carmen Zaaroui, L'Oréal S.A.
RMI Treasurer

Eduardo Lopez-Doriga, CQV
RMI Administrator

Riaz Zaman, World Coatings Council
RMI Administrator

Executive Team

Daily operations of RMI are managed by an Executive Team that is responsible for implementing decisions from the General Assembly and RMI's strategy. The Executive Team is comprised of an Executive Director, Fanny Fremont, based in France and an India Program Manager, Vijay Jain, based in Ranchi, India, where he oversees the implementation of RMI program pillars with local partners. Two additional team members joined RMI in 2019. Ajay Kumar is based in Ranchi, India, and Olivier Dubourdieu is based in Paris, France. Together they will further strengthen collaboration and coordination among RMI members and RMI on-site partners.



Financials

RMI's budget in 2019 was €1,285,525, a 58 percent increase over 2018 budget of €815,625:

71%

of the budget was provided by **corporate member dues** of €915,000 received during 2019

4%

or €47,700 was received from **foundations and industry associations**

25%

was provided by **funds carried over** from 2018

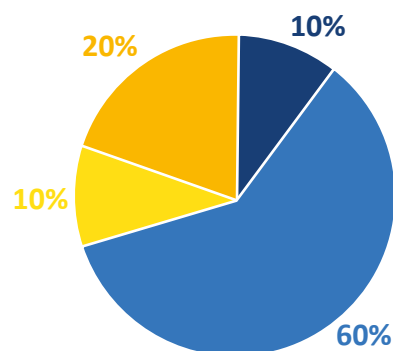
Dues are assessed based on member company annual revenues with a cap that is intended not to disproportionately charge larger companies. Special consideration is afforded to industry associations, whose own members may be dues paying RMI members such as NGOs, and small upstream suppliers in India who may also be assuming the costs associated with adopting RMI's workplace standards

Turnover	Members due (k€/year/member)
> 10 Bn€	55
> 3 Bn€	45
> 1 Bn€	30
> 500 M€	20
> 50 M€	10
< 50 M€	7.5
Associations	5
Indian processors, traders and mine owners	0.5

Expenses of €217,069 were allocated to management and administrative costs. Expenses of €738,935 were associated with the development and initial implementation of RMI's three program pillars in the field. A year-end surplus of €329,521 is largely due to:

- Maintaining the agility to support advocacy activities in 2019, especially through support of the Businesses and GM committees which allowed RMI to limit its use of external support.
- Additional dues from membership growth during 2019.
- Planned maintenance of a contingency fund to cover expenses arising from unforeseen requirements in 2020.

Breakdown of 2019 expenditures



- Responsible Workplace Standards
- Community Empowerment Program
- Legal Framework
- Administrative costs

Membership

The long-term success of RMI's programs depends on a strong and diverse membership base. Membership in 2019 grew to 59 organizations compared to 47 members at the end of 2018, reflecting continued interest in RMI's mission and programs.

Membership composition

RMI's membership is drawn from a cross-section of the mica supply chain, from end-use multinational producers of cosmetics, paints, coatings, inks, electronics and manufacturers of pigments and ingredients that use mica, to India's mica processors and exporters. Members also include CSOs and industry associations that represent the collective interests of their missions and members. RMI remains open to all other industries using mica, whether they are from India or other areas. RMI's operating budget relies largely on member dues which provide 96 percent of operating revenue.

Membership participation

Consistent with its commitment to partnership and collaboration, RMI relies extensively on members who volunteer their time on four Action Groups that guide the development and implementation of the three program pillars and communications activities. The Action Groups supplement RMI's lean staff and provide valuable subject matter expertise.

Each Action Group meets regularly with the Executive Team to develop and review progress for each of the three program pillars and communication plans. Member organizations are encouraged to join more than one Action Group and, to ensure continuity, are also able to assign more than one representative to an Action Group. The Action Groups met 17 times in 2019.

RMI 59 Members by sector,
December 2019

