

ANNUAL REPORT

2020



A coalition for action toward a fair,
responsible and sustainable Mica
Supply Chain

 **RESPONSIBLE
MICA INITIATIVE**

Key Figures

2017 - 2020

80 villages in Community Empowerment Programs benefitting **5890** households and **30000** people

8 CSO partners committed to RMI's programs

536 marginalized families received financial and technical support to earn their livelihood

1166 households accessed alternative sources of income

2300 children supported with homebased worksheets during schools' lockdown

12370+ households enrolled in government health insurance programs

20000 meals distributed during the first weeks of COVID-19 pandemic

66 RMI members represent over 50% of India's mica exports (in volume)

2 global companies in the automotive industry joined the initiative

1 partner appointed by district administration as principal agency to coordinate COVID-19 related relief with CSOs

350+ malnourished children treated

160 dedicated volunteer development professionals on the ground

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

		Objectives	Beneficiaries	Program components	Stakeholders involved
		↓	↓	↓	↓
Pillar	1 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.	Mica collectors (miners and pickers) and processors (workers and management)	<ul style="list-style-type: none"> → Supply chain mapping → Workplace Standards development → Workplace Standards implementation → External assessments 	<ul style="list-style-type: none"> → Mica using industries, upstream to downstream → Industry associations → Technical experts
Pillar	2 Community Empowerment Programs	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.	Mica belt communities in Bihar and Jharkhand	<ul style="list-style-type: none"> → Improved means of livelihood → Access to quality education → Improved nutrition and health → Access to government schemes 	<ul style="list-style-type: none"> → Mica-dependent communities → Local implementing partners and international CSOs → Technical experts → Local volunteers → Local governments
Pillar	3 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.	<ul style="list-style-type: none"> → Mica collectors (miners and pickers) and processors (workers and management) → Mica belt communities in Bihar and Jharkhand 	<ul style="list-style-type: none"> → Review existing legal framework → Discuss gaps and areas for improvement → Support enforcement of inclusive regulation 	<ul style="list-style-type: none"> → Governments and related administrations → Mica using industries, upstream to downstream → Mica-dependent communities → CSOs → Legal experts

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President's letter



Dear Reader,

After a year like 2020, reflecting on the achievements and looking forward is even more important than it has been before the Covid-19 pandemic. This third annual report provides exactly this from the Responsible Mica Initiative's (RMI) perspective.

2020 does not only stand for an unprecedented pandemic, for RMI it was also an important waymark. Having started in 2017 with a mission originally set for 2022, the year 2020 represents the mid-term in this five-year frame. Thereby, some of the topics in this report go beyond the perspective of an annual review.

What comes first to mind looking back to 2020 is the special challenge the pandemic brought to families and communities in Bihar and Jharkhand being highly dependent on the mica business. The break-down of global market demand, supply chains and regional lockdowns had a severe impact. RMI and its partners were present with immediate support for the region. And throughout the year RMI was able to keep the community programs in the area up and running.

At the same time, the Jharkhand Sustainable Mica Policy Framework and Vision has been developed. Maintaining close alignment across our multi-stakeholder framework was not always easy but could be managed with extra engagement compensating for the shortcomings of virtual communication.

And RMI has once again benefitted from its unique multi-stakeholder approach, having all partners aligned under one common mission. In that context, it is encouraging to see how our network grew. We have gained further members from industries not represented so far. Without highlighting individual members, our grown membership base will certainly be very beneficial in getting our agenda successfully accomplished.

On the way forward we still have important deliverables. Measures to further foster a fair distribution of the added value alongside the upstream steps of the mica value chain and the implementation of the enhanced collaboration with the Responsible Minerals Initiative are just two examples from RMI's agenda for the future.

Mastering the challenges of an unprecedented pandemic while keeping track on the longer-term mission calls for agility, decisiveness, and a clear understanding of priorities. I have seen all this in last year's activities of RMI, its members and stakeholders. This makes me very confident for the journey we have still ahead of us for this year and beyond.

For now, I wish you all the best, stay healthy and enjoy reading this report.

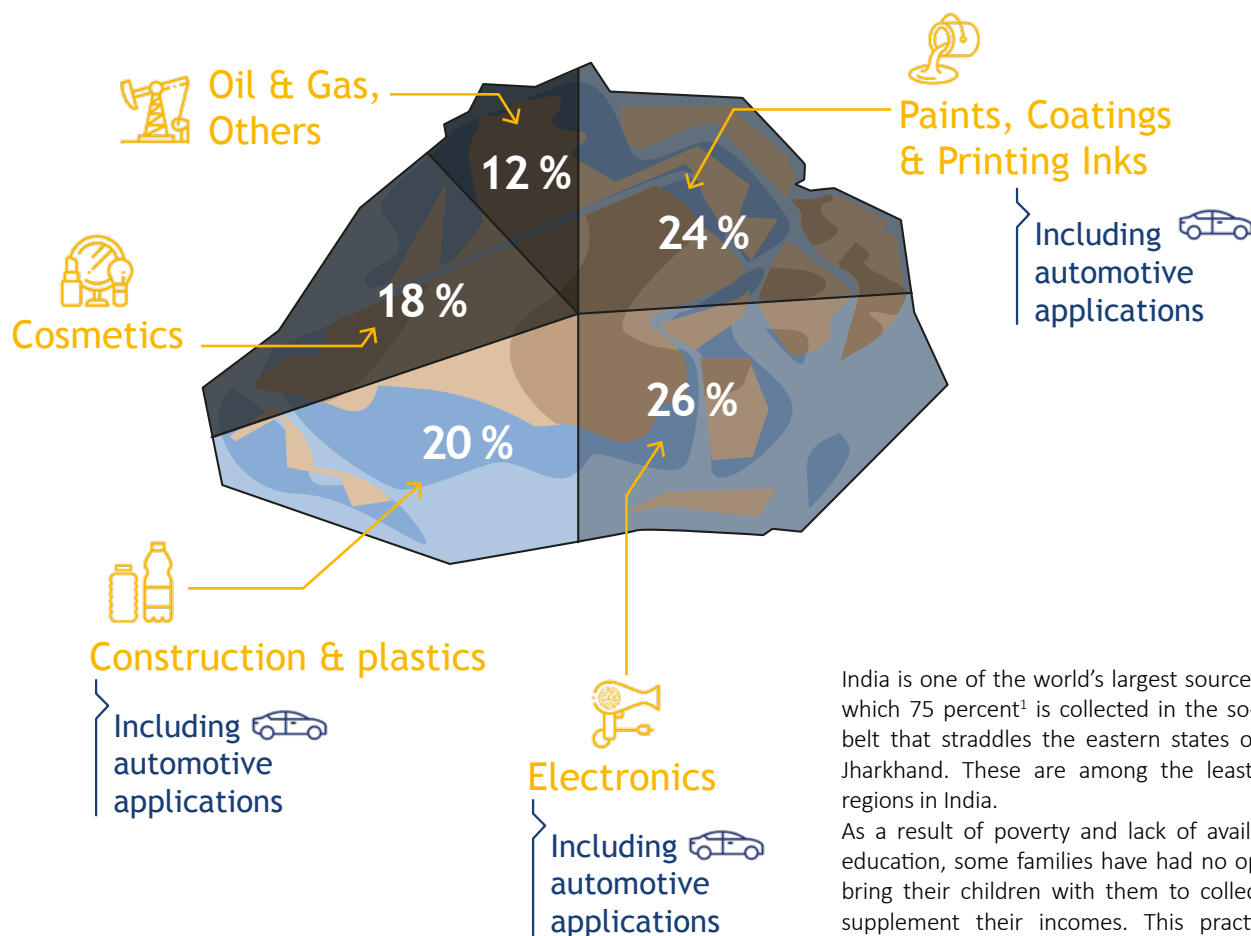
Best regards

**Karl-Christian Gallert,
RMI President**

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 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 batteries for electrical vehicles and coatings. In the oil and gas sector, mica is employed as a lubricant in drilling.



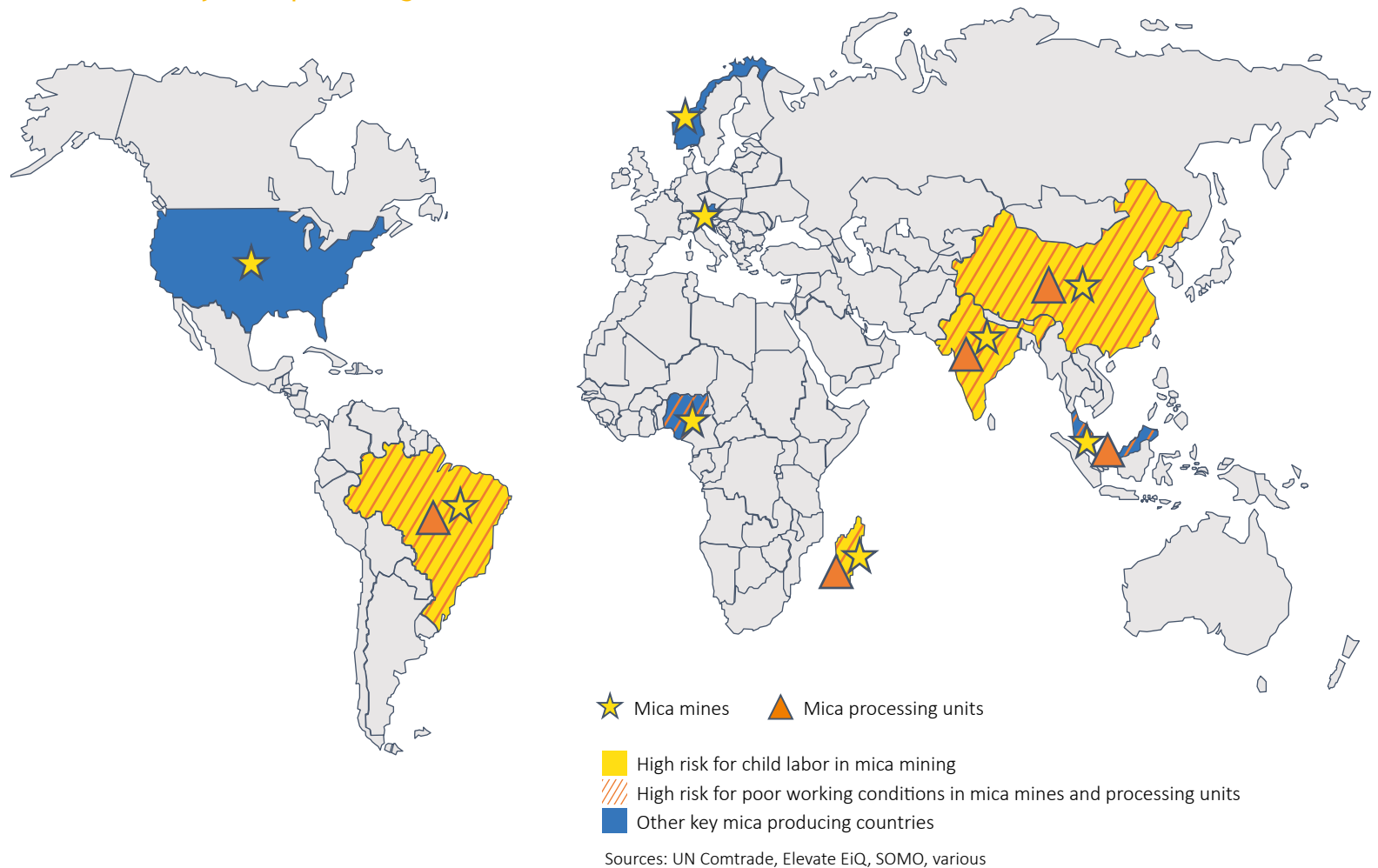
India is one of the world's largest sources of mica of which 75 percent¹ is collected in the so-called mica belt that straddles the eastern states of Bihar and Jharkhand. These are among the least developed regions in India.

As a result of poverty and lack of available quality education, some families have had no option but to bring their children with them to collect mica and 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.

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.



High level risk assessment regarding child labor and poor working conditions in key mica producing countries



Establishing the Responsible Mica Initiative

Created in 2017 by organizations eager to join forces to tackle the endemic problems that lead to the use of child labor, the Responsible Mica Initiative has grown to include 66 members across the global mica supply chain and NGO world. In 2020, nine organizations joined RMI.

One Mission, One Strategy, Three Pillars

Each member has committed to support RMI's mission: enabling a sustainable, fair, and responsible mica supply chain, eradicating child labor and eliminating unacceptable working conditions in the mica supply chain in India.

To accomplish that mission, RMI's strategy follows a holistic approach – working toward three goals simultaneously – that addresses the use of child labor and unacceptable working conditions.

First, RMI's approach recognizes the need for an efficient and effective improvement of working conditions in mica mines and processing units. Secondly, RMI's community empowerment programs elevate village social and economic conditions, enabling communities to send their children to school rather than collect mica. Finally, supporting adoption of a comprehensive legal framework to regulate the mica sector will foster a responsible compliance-based industry across the entire region.

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



Establishing a Partnership Structure

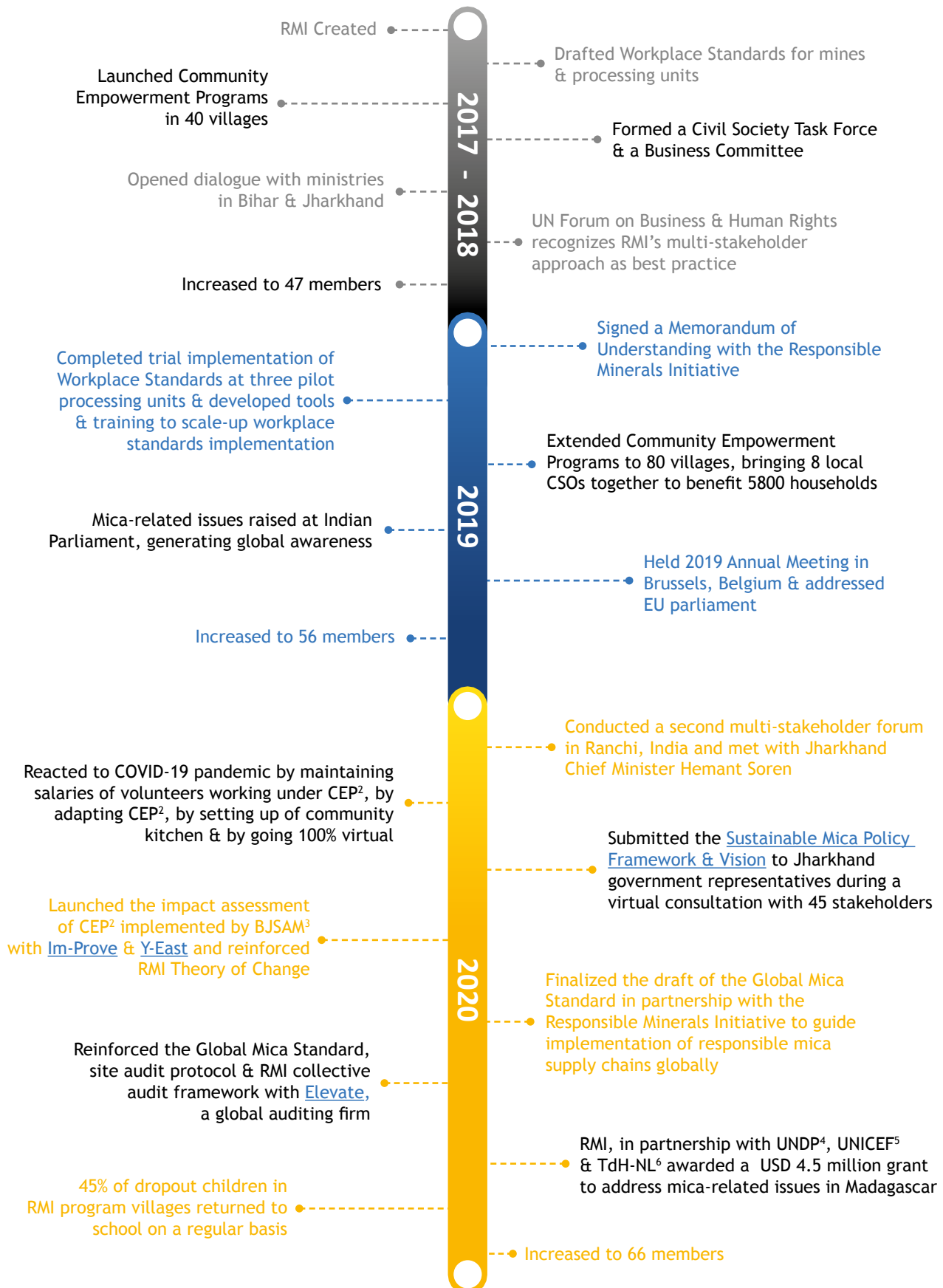
The implementation of RMI's three program pillars and RMI's long-term success relies significantly on the contributions of key partners including Civil Society Organizations (CSOs) in India and around the world, as well as local and international Governments. CSOs have contributed to strategy development, created the materials required to put plans into action and have begun to execute components of each program pillar. Governments are critical for effective definition and enforcement of required legal frameworks. RMI's partnership approach extends to other stakeholders as well, including community leaders, companies from within and 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. On the national level, as well, a growing number of countries require corporations not only to abide by laws and regulations that prohibit child labor and human rights abuses in their own countries but also to adopt similar practices wherever they source materials or operate.

Milestones



²CEP: Community Empowerment Programs - ³BJSAM : Bihar & Jharkhand Sustainable Action on Mica, one of the two consortia implementing CEP - ⁴UNDP: United Nations Development Fund - ⁵UNICEF: United Nations children's fund - ⁶TdH-NL: Terre des Hommes Netherlands



Three Program Pillars

Pillar 1

Implementing Workplace Standards

2020 key achievements

The COVID-19 pandemic led to a nine-month interruption of the mica supply chain and subsequent economic difficulties for mica processors in Bihar and Jharkhand. While continuously monitoring the situation of mica processors, RMI developed and reinforced a Global Mica Standard to be applied globally. Furthermore, a collective audit protocol was developed to save time and costs associated with upcoming third-party audits of mica processing units.

Pandemic Impact on the Implementation of Workplace Standards

When the COVID-19 pandemic struck India mid-March 2020, a series of local and national lockdowns were declared to contain the virus spread. The global economic slowdown led to a decrease in the demand for Indian mica, adding to already difficult economic conditions and posing adverse consequences for mica processors, their workers and for mica pickers. The entire upstream supply chain suffered from the direct loss of revenues, and migrant workers who usually have only limited cash reserves had to travel back to their home states.

Due to COVID-19, the momentum created at the end of 2019 by the pilot implementation of the Workplace Standards at three processing units was not fully sustained. To remain in business, mica processors had to redirect resources and pause making further investments that would fund long-term improvements in working conditions at their factories.

The pandemic also had a significant impact on the implementation of responsible workplace standards, leading to postponements by RMI.

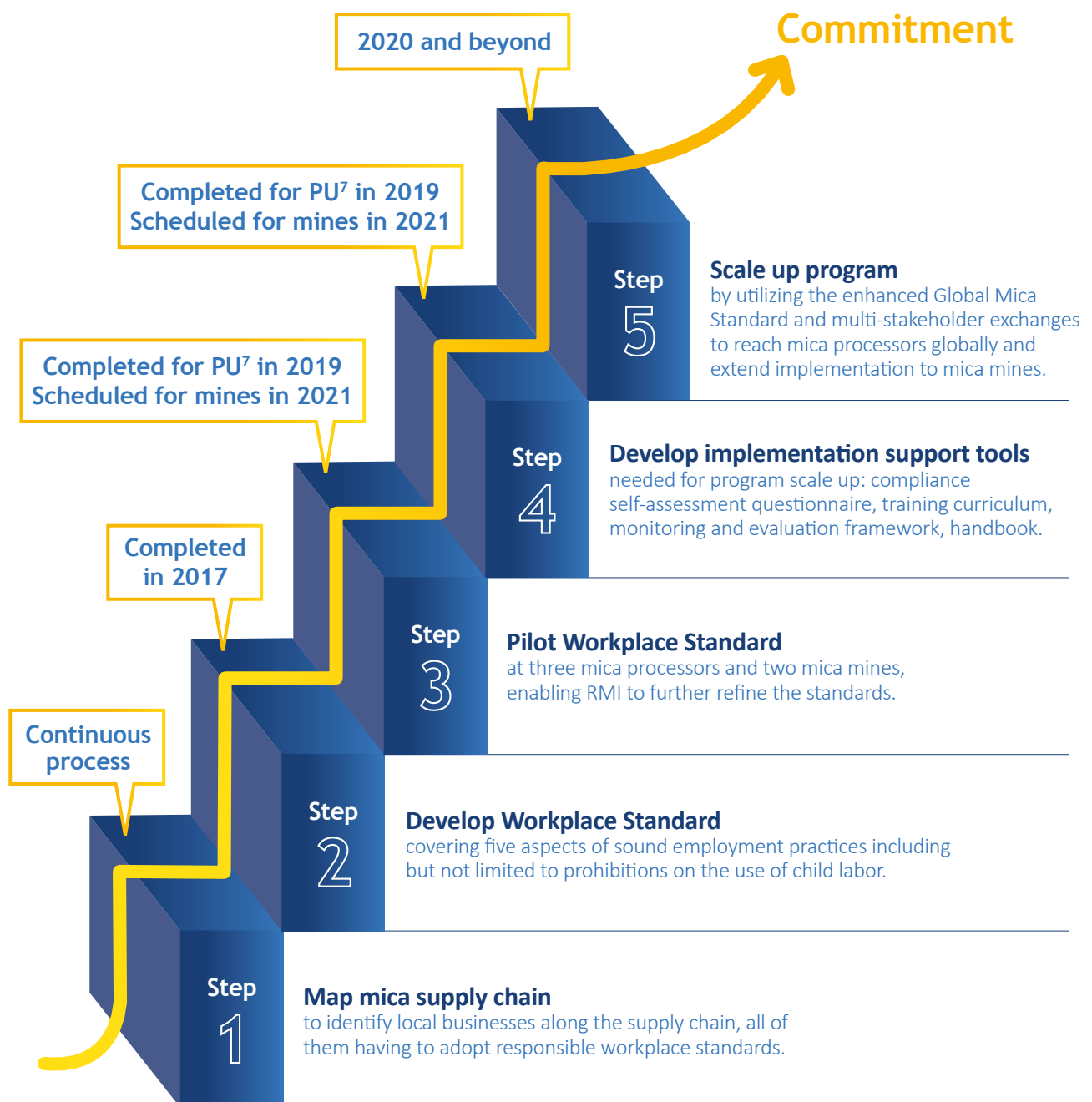
- All training sessions to mica processors had to be cancelled from March 2020 onward, resuming mid-December only. Training curricula will be updated throughout 2021 to improve and update content, and to ensure training sessions will take place either remotely or in person depending on public health guidance on social distancing and public gatherings.
- Plans to pilot audit one processor with regards to the Global Mica Standard, initially scheduled to take place in 2020, was postponed to early 2021.
- Implementation of responsible workplace practices at the mine level, initially scheduled for early 2020 was initially postponed to the end of year and further extended to commence in 2021.
- Delays were encountered in the collection of data used to measure the coverage of RMI members of India's mica exports (in volume) which limited RMI's ability to leverage its impact with local institutions.




Implementing Responsible Workplace Standards

Since its inception in 2017, RMI has successfully followed a five-step program to implement responsible workplace standards at the mine and processing unit levels. Each step was designed to become a foundation for the next, providing insight and feedback to a growing number of program participants committed to improving workplace conditions and ending child labor.

RMI's Program to Implement Responsible Workplace Practices in Mica Mines and Processing Units



⁷PU: Processing Units



Steps one to four of the responsible workplace standards implementation program for processors were completed by the end of 2020. RMI will use three resources to complete the final implementation step. The resources will be used in tandem to scale up the implementation of responsible workplace standards to all processors, and eventually mines, globally. To supervise the roll-out, RMI has added a new member to the Executive Team located in the mica processing region.

Ressource 1

Mica Supply Chain Mapping

As a condition of membership, each RMI member is required to map its mica supply chain and share this information. This annual exercise, protected by confidentiality agreements, enables RMI to identify businesses along the supply chain, all of them having to adopt responsible workplace standards. The mapping also identifies villages to implement CEP and reveals the total volumes of mica used by RMI members and their supply chains.

Ressource 2

Global Mica Standard

- In partnership with the [Responsible Minerals Initiative](#), RMI developed a Global Mica Standard that aims to become a reference document applicable to mica processing units in all countries. The Global Mica Standard is based on the initial Workplace Standards developed by RMI and on the Minerals Due Diligence Standard developed by the Responsible Minerals Initiative based on its experience with other extractive industries. Finally, with the support of [Elevate](#), an international auditing firm, RMI reviewed the provisions of the Global Mica Standard by comparing it to [SA8000](#) and [SMETA](#), each an internationally recognized workplace standards protocol.

The scope of the Global Mica Standard:

- ➔ **Environmental** criteria cover the impact from operations on the surrounding environment and biodiversity as well as on communities adjacent to the processors.
- ➔ **Occupational health and safety** provisions address facility hygiene, safe operation of equipment, personal protection requirements and access to first aid, child daycare and canteens.
- ➔ **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 attention to women's rights and under-represented communities.
- ➔ **Governance** requirements ensure that businesses are duly registered, adhere to laws and regulations, and pay taxes.
- ➔ **Supply chain due diligence** criteria include the [OECD's Due Diligence Guidance on supply chains](#) such as operating procedures and practices of a processor's raw material procurement. ➤

Ressource 3

Collective Audit Protocol

Audits can pose burdens due to cost and time on businesses being audited. RMI developed a collective protocol to carry out audits of mica processors against the Global Mica Standard more efficiently.

Audits will be scheduled on a semester basis. To reduce costs and the time required to conduct audits, RMI members requesting audits have agreed to coordinate the audits of processors they have in common, and to share results. Thus each processor will only be audited maximum once per semester. Audit results will also be shared with RMI who will work with both RMI members and the audited processor to address areas of non-compliance or other opportunities for improvement.



Pillar 2

Empowering Communities

2020 key achievements

Despite the COVID-19 pandemic and its substantial impact on communities in the mica belt, RMI managed to adapt its programs, especially focusing on livelihood, self-nutrition through kitchen garden and home-delivered education worksheets. Although the two consortia that have been implementing Community Empowerment Programs since 2018, BJSAM and CESAM, had to curtail some of their work, the impact assessment of the programs implemented by BJSAM has been prepared and will be ready to launch in early 2021.

COVID-19 Pandemic's Impact on Mica-Dependent Communities

The COVID-19 pandemic has further demonstrated the vulnerability of mica-dependent communities in Bihar and Jharkhand and highlighted the need to implement large-scale innovative solutions to ensure their well-being. RMI's focus on the need to improve the lives of artisanal and small-scale miners and create a foundation for their resilience has been reinforced.

As regional and national lockdowns rolled across India and mica-dependent industries worldwide reduced production, households in Bihar and Jharkhand that relied on mica collection lost their primary source of income. In addition to these direct economic consequences of the pandemic and because all public services including Anganwadi pre-school centers and schools were immediately closed, mothers and their young children lost access to basic health services as well as schooling. Others who depended on these public services for their day-to-day meals and healthcare also lost access to these resources. Adding to the national impact of the pandemic, migrant workers in the region had to return to their home states. This not only increased the risk of the virus to spread but also created added demand for jobs for unskilled and semi-skilled people in their home communities where unemployment was already a problem.

In an effort to tackle these multiple issues in mica-dependent communities, RMI engaged local District Officers alongside its CSO partners to identify areas where support would be most needed: four community kitchens were established in Giridih and Koderma districts. These were financed by RMI and the Mica Exporter Association and provided 20,000 meals to more than 1,000 people over 15 days. RMI also adapted CEP roadmaps and activities in collaboration with its CSO partners to cope with delays due to restrictions on travel and social gatherings.



RMI Strategy Toward Efficient Community Empowerment, Through Locally Led and Owned Partnerships

Understanding mica-dependent community needs

by conducting regional survey



Developing relevant programs

including innovative and scalable solutions



Partnering with local CSOs

organized in two consortia, Collective for Empowerment and Sustainable Action on Mica (CESAM) and Bihar and Jharkhand Sustainable Action on Mica (BJSAM), responsible for 40 villages each



Scaling up a partnership structure

under the auspices of the Global Mica Committee, comprised of organizations knowledgeable about the mica belt working in collaboration with RMI's eight partners, providing a forum to share ideas and experience acquired as the Community Empowerment program expands

To diversify sources of livelihood by

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



To improve access to quality 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



To enhance nutrition and health by

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



To widen government support by

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

Strengthening Community Programs

RMI initiated a project with an agency specialized in change management, [Im-Prove](#), and its Indian partner, [Y-East](#) to assess the impact of the programs implemented by the BJSAM consortium. The project will not only ensure the robust and effective impact of its Community Empowerment Programs but also continuously improve program design.

At the end of 2020, the first phase of the assessment was successfully conducted: RMI's Theory of Change for CEP has been reviewed and strengthened; all the tools required to conduct a field survey at the end of the three-year implementation period in February 2021 are ready to be applied. The second phase – conducting the field survey and analyzing the data – will be undertaken over February and March 2021 if pandemic conditions permit.

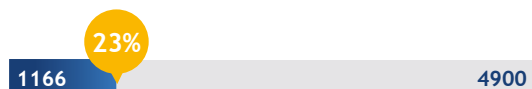
A Theory of Change is a powerful methodology that helps identify the causal linkages between activities carried out by an organization and short-term, intermediate and long-term impacts and outcomes.

Visit the [RMI website](#) to learn more about the application of the Theory of Change at RMI.

2020 Program Milestones

Community Empowerment Programs now implemented in 80 villages established long-term targets - to be achieved by 2022 - 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 2020, RMI programs delivered significant results.

Livelihood



1166 out of targeted 4900 households have **improved sources of income through alternative means** of livelihood including agriculture, animal husbandry and tailoring.



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

Quality education



More than 44% of 940 **out-of-school children are back in school** on a regular basis.



49 out of 55 targeted schools have **effective School Management Committees** to monitor progress.



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



41 out of 50 targeted Anganwadi Centers (AWCs) have been **transformed into model AWCs**.

Nutrition and health programs



More than 50% of 674 **malnourished children receive adequate nutrition** by being provided access to Malnutrition Treatment Centers.



24 out of 76 targeted health camps were used during the year **by more than 5700 mica-dependent people**.

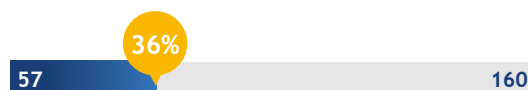


~7615 out of 18222 targeted persons have been linked to a **health and insurance program**.



10 safe drinking water systems have been installed at the community level benefitting more than **1400 households**.

Government support



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



160 community volunteers were eventually included in programs 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.



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

CASE STUDIES

Bal Manch warning communities about COVID-19

With the support of its CSO partners, RMI helps ensure that Bal Manch - Children Committees - are regularly convened and empower children to contribute to their own development. During the COVID-19 pandemic, Bal Manch participants were invited to act as agents of change in their villages. Children came up with efficient and innovative ways to increase community awareness of COVID-19 dangers and ways to mitigate the spread of the virus:

- They promoted mask wearing and the need to maintain social distancing
- In their immediate community and family units they emphasized the need to wash hands on regular basis and to avoid touching faces
- They wrote notices outside their homes and at meeting points in villages requesting people not to visit or gather until the situation returns to normal.

As a result, children felt accountable for themselves and their community.



Supporting women in launching their own businesses

Ruby Kumari Rajvanshi, a 16-year-old woman living in Newsinger village, Bihar State, participated in a training session on entrepreneurship organized by RMI partners. Living with her father, a mica picker, and her younger sister who she cares for, Ruby Kumari was willing to launch her own business to supplement the low income of her family.

Like other applicants in RMI's programs willing to launch his or her own business - her choice was to start a sewing business - as part of the program Ruby Kumari Rajvanshi was interviewed on her motivation and her knowledge related to her project.

Successfully demonstrating her abilities to launch her own project, she was nominated for support by the local committee composed by local villagers and representatives. The project team selected Ruby Kumari Rajvanshi as an inspiring woman and provided her with a sewing machine to support her dream.





Ensuring children's engagement in education during lockdown

In Bihar, government schools closed in mid-February, first because of teachers' strike and, starting March 23 in both Bihar and Jharkhand, because of the national lockdown due to the pandemic.

To mitigate the risk of children losing engagement in their education and to get involved in work or labor activities to support their families, RMI and its CSO partners created competency-based learning modules, distributing worksheets to the children that they could use at home to continue their studies.

These worksheets focused on mathematics and language (Hindi), and were adapted to children by class and grade level. Two difficulty levels were defined: Level 1 for the first and second grade and level 2 for third through fifth grades.

RMI's partners supported children and their parents to ensure the exercise met expectations. Moreover, community libraries were made available as safe learning space for children during school lockdowns.



I can support
my family today
as my
employment
starts



Pillar 3

Establishing a legal framework

2020 key achievements

The COVID-19 pandemic had two major consequences on stakeholders' progress toward the establishment of a legal framework for the sector. First, local governments obviously shifted their focus to emergency response to the pandemic. Second, face-to-face meetings which are vital in India to instill trust and build long-term relationships were put on hold. As a result, RMI had little means to move forward. Despite these difficulties, RMI did pursue direct engagements with local governments and even managed to strengthen relations with them. Progress had been made, for example, with the submission to the Jharkhand government of the Sustainable Mica Policy Framework and Vision.

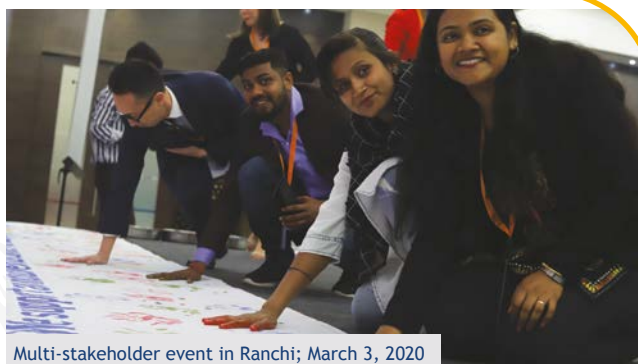
Over the past year, the Responsible Mica Initiative engaged key institutions and stakeholders. As 2019 ended, RMI held a dedicated session at the EU Parliament that resulted in the publication on February 13, 2020 of an emergency resolution pertaining to child labor in mica mines in Madagascar and recommending that the experience from existing initiatives such as the Responsible Mica Initiative in India be applied in Madagascar.

Following this promising development, RMI organized a multi-stakeholder event in Ranchi on March 3rd, 2020 that gathered key stakeholders, including civil society representatives, RMI members and a delegation from Madagascar, including three government representatives. The event was followed by an in-person meeting with Jharkhand's Chief Minister Hemant Soren to address the issue of unregulated mica mines in the state. The meeting was an opportunity to increase awareness around the mica topic and opened new communication channels with relevant stakeholders that will facilitate the formation of a legal framework to regulate mica-related activities in the state.

Less than one month later, the COVID-19 pandemic hit India. RMI and its local partners with local district officers helped to set up community kitchens. One of RMI's local CSO partners, the Abhivyakti Foundation, and the lead agency overseeing the CESAM consortium of CSOs implementing RMI programs, was also appointed as the lead agency by the District Administration to coordinate on-the-ground COVID-19 relief with various CSOs. This key role assigned to a RMI partner served to reinforce RMI's relations with local public representatives.

Despite the challenges posed by the pandemic, RMI managed to conclude 2020 first semester with the submission of a [Sustainable Mica Policy Framework and Vision](#) document to the Jharkhand government as a result of a four-month multi-stakeholder consultation process. More than 45 participants, including global development and multilateral agencies, CSOs and industry players in addition to Jharkhand government representatives convened in a virtual forum, altogether closing the document. The Framework and Vision describes in detail the root causes of mica-related issues and recommends nine key intervention areas that would establish an enforceable and sustainable legal framework for mica-related activities in the mica belt.

In line with these key intervention areas identified, RMI launched a study with the [Better World Foundation](#) to design and pilot two prototype models for a mica mining legal framework. In 2021, RMI and the Foundation will also conduct a study to assess the economic impact of the mica supply chain in the region.



Multi-stakeholder event in Ranchi; March 3, 2020



Strategy

A permanent solution to eradicate 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. The absence of regulatory oversight left the door open for the significant deterioration of working conditions at some processors as well as 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 and prohibitions on the use of child labor.



Engaging & communicating with stakeholders globally

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

Governments and States

Even during the pandemic, at the local level RMI was able to expand its relationships and programs with the Jharkhand government in order to work toward establishing an enforceable legal framework for the sector.

RMI's commitment to include mica at the forefront of sustainable sourcing regulation globally remains unchanged. At the end 2019, the European Parliament provided an important stage that broadened the visibility of global efforts to eradicate child labor. Following the commemoration of the 30th anniversary of the adoption of the UN Convention on the Rights of the Child (CRC), a [resolution was adopted by the European Parliament on February 13, 2020](#) acknowledging the unacceptability of child labor in all locations, particularly in mica mines in Madagascar. RMI's work in India was cited as the model that could be applied to address conditions in the country by undertaking a multi-stakeholder approach to review its mining code and to comply with international commitments including but not limited to human rights, including children's rights. The European Parliament's statement not only validated the efficacy of RMI's innovative approach to eradicate child labor in the mica supply chain but also opened new opportunities to engage with Malagasy representatives to encourage an exchange of best practices.

A Joint Action Plan was prepared by the Malagasy government in order to address mica-related issues. To learn from RMI's Indian experience, a Malagasy delegation, which included representatives of the Labor Department, Mining Department, and Population, Children and Women Protection Department as well as a representative from the non-governmental organization Transparency International, participated in the RMI multi-stakeholder event organized in March in Ranchi, India.

In July 2020, the US Department of Labor (US DoL) opened a USD 4.5 million grant to reduce child labor in Madagascar mica communities. Later in 2020, US DoL added Madagascar mica to [2020 List of Goods Produced by Child Labor or Forced Labor](#).

While mica exported from India was already included in that same list in 2018, the US DoL decision confirmed the growing awareness of the problem and need to address mica mining and associated child labor challenges. Both actions demonstrate a strong willingness of US government to promote behavioral change toward fair sourcing practices and to effectively mobilize resources to collectively initiate remediation activities.



Madagascar delegation participating to multi-stakeholder event in Ranchi



Intergovernmental Organizations and Industry Associations

RMI is involved with several intergovernmental organizations and industry associations to amplify its actions by sharing its experience and learning from others.

For the third year in a row, RMI had the opportunity to participate at the 10th annual global meeting of the ILO Child Labor platform, which aims to identify obstacles that impede the implementation of the ILO's conventions to prevent child labor.



Responsible Minerals Initiative

➤ The Responsible Minerals Initiative is a widely respected resource for more than 380 companies from a range of industries addressing responsible mineral sourcing in their supply chains. For the third year in a row, RMI participated as a speaker at the Responsible Minerals Initiative's annual conference.

➤ In 2020, and building on the mandate provided by the Memorandum of Understanding (MoU) that was signed in 2019 between the Responsible Minerals Initiative and the Responsible Mica Initiative, a new Global Mica Standard for mica processors was developed. Its provisions combine elements of RMI's own Workplace Standard drafted in 2018 for India and on the multi-industry expertise of the Responsible Minerals Initiative. The Global Mica Standard aims to become a reference document applicable in all countries and regions that need to address workplace practices. The on-going collaboration between both organizations will create further synergies that will enable them and their members to benefit from each other's experience and strengths while working toward a consistent framework to conduct due diligence, secure mica supply chains and promote understanding of mica use and applications in various industries.

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 2020 continued to draw the public's attention to child labor in the mica supply chain. Fair and balanced reporting can be a favorable development as awareness may direct more resources to address the issue of child labor.

At the beginning of 2020 a documentary was broadcast in Germany and France on national channels. The documentary recognized RMI's efforts on behalf of its members to provide solutions and emphasized the importance of mica-using industries to continue to buy from India while addressing existing issues.

Also, in early 2020, attention was focused on child labor issues in Madagascar's mica sector following the broadcast

➤ of a documentary by NBC News, a leading media outlet in the U.S.

The decision of two leading automotive brands – Daimler AG and Porsche AG – to join RMI in 2020 received worldwide media coverage, acknowledging the commitment of the automotive industry to social responsibility given the on-going use of mica in automotive applications such as coatings.

Presence on the web is important to RMI to raise awareness on mica-related issues. RMI is endeavoring to produce quality content and to create support and enthusiasm for its actions.

➤ To keep track of latest news regarding RMI and mica, follow us on RMI's LinkedIn page and RMI's Youtube channel and regularly visit RMI's media page.



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 has reinforced its executive team to ensure continuous support to processors by hiring a supply chain officer in India. Furthermore, RMI plans to work on developing new tools to monitor progress and programs to identify where existing solutions could be improved.

Accelerate RMI's Development

While the number of villages in which RMI's Community Empowerment Programs were implemented grew from 40 to 80 in 2019, further acceleration of RMI's Community Empowerment Programs remains a priority. To ensure robust and efficient programs before expending further, RMI commissioned and launched an external impact assessment. Based on the findings in the assessment, a "model-village concept" will be developed that can be used to scale-up programs for additional villages that are beyond RMI's current scope.

The implementation of responsible workplace standards will be expanded by multiplying training sessions conducted at mica processors, deploying an online self-assessment tool and associated corrective action plans, and updating training materials.

The ability of adult mica pickers to earn a living wage and secure a decent life is one of the prerequisites for the eradication of child labor in mica mines. RMI has engaged a taskforce intended to align on a definition of a living income for mica pickers in Bihar and Jharkhand. Mechanisms ensuring effective payment will be screened and methodologies to roll out these mechanisms will be discussed prior to pilot implementation.

Acceleration of RMI's programs will also include mica mines with the pilot implementation of workplace standards in two mines located in Rajasthan and Andhra Pradesh, where an enforceable legal framework for the sector already exists, in conjunction with the creation of a legal framework for the sector in Jharkhand and Bihar.

Enlarge RMI's Impact

Beyond Current Scope

Continuous improvement and broadening of RMI's programs in India remain a key objective. Program scope can be widened in India by adding more villages to Community Empowerment Programs, inviting additional mica processing units to implement responsible workplace standards and by improving existing tools and adding new ones to enhance program monitoring and evaluation. Support for the creation of a legal framework will remain an important component of a sustainable mica sector as well.

Beyond India

RMI's current work remains focused on the mica belt in Bihar and Jharkhand. However, RMI's work there has attracted interest among global agencies looking for a model that could be applied in other countries. In 2020 RMI joined a consortium led by UNDP Madagascar, in partnership with UNICEF Madagascar and Terre des Hommes Netherlands that has been selected by the U.S. Department of Labor to carry out a 4.5-year USD 4.5 million project to address child labor in the mica supply chain in Madagascar starting 2021. As part of this project, RMI will primarily address ways to engage downstream supply chain players, formalize mica mining activities and support the adoption of workplace standards at mica pickers and processor facilities. RMI remains eager to sharing its experience and program model with organizations that want to address mica-related issues in other countries.

Across Industries

RMI members are currently drawn from a wide range of industries ranging from mica processing and pigment producers to cosmetics, paints, coatings and automotive manufacturers. Yet, mica is also found in a significant number of other industries including construction, plastics, electronics, batteries for electrical vehicles and oil and gas extraction. 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 of RMI.

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 participants from industry stakeholders and CSOs active in the mica supply chain in India agreed to promote responsible working conditions and eliminate child labor. Following the summit, 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 associate (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.

The Board of Directors met 11 times in 2020 and is currently comprised of:

Karl-Christian Gallert, Merck KGaA
RMI President

Carel Kok, Terre des Hommes Netherlands
RMI Vice President

Jessica Mc Ghie, 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

Olaf Bollman, Porsche AG
RMI Administrator

Executive Team

Daily operations of RMI are managed by an Executive Team that is responsible for implementing directives from the General Assembly, with guidance of the Board of Directors and developing and implementing strategy. The Executive Team is comprised of an Executive Director, **Fanny Frémont**, and a Project Manager, **Olivier Dubourdieu**, both based in Paris, France, and an India Program Manager, **Vijay Jain**, based in Ranchi, India. One additional team member joined RMI early 2021, as a Supply Chain Officer: **Udaykrishnan Azhakhath** is based in Giridih, India. He will develop and strengthen the support RMI is dedicating to mica processors and implementing responsible workplace standards, as well as reinforce the links between RMI and local district representatives.



Financials

RMI's budget in 2020 was
€1,215,036:

72,7%

of the budget was provided
by **member dues** of €882,000
received during 2020

27%

was provided by
funds carried over
from 2019

0,3%

or €3,500 was received from
**foundations, industry associations,
student associations and individuals**

Dues are assessed based on member company's 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 - 10 Bn€	45
1 - 3 Bn€	30
500 M€ - 1 Bn€	20
50 - 500 M€	10
3 - 50 M€	7.5
New 0 - 3 M€	3.5 →
Associations	5
Indian processors, traders and mine owners	0.5

New Category

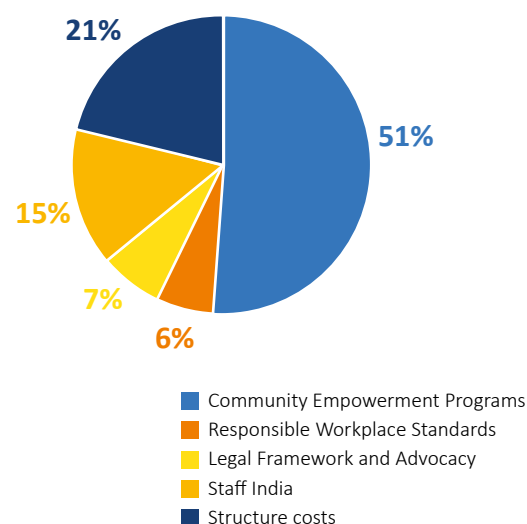
Created in 2020

An additional category to welcome companies with a turnover lower than €3M but who are still willing to participate to RMI's mission and actions.

Expenses of €189,654 were allocated to management and administrative costs. Expenses of €712,509 were associated with the development and initial implementation of RMI's three program pillars in the field. The year-end surplus of €312,873 was largely due to:

- The COVID-19 pandemic that led to postponing actions initially planned for 2020 such as the implementation of Workplace Standards at the mine level, in-person training sessions, CEP impact assessment... and savings related to lower administrative costs due to less travel,
- The natural reduced focus on governments toward our mica topic in comparison to COVID-19 pandemic, pushing RMI to more agility to support advocacy activities in 2020, especially through support of the Businesses and CSOs committees instead of engaging external expert support,
- Maintaining a contingency fund to cover expenses arising from unforeseen requirements in 2021,
- Additional dues from membership growth during 2020.

The pandemic restricted program implementation during 2020 resulting in both the surplus and higher ratio of administrative to program implementation expenses. Allocations are expected to return to prior year levels once pandemic related restrictions end.



Membership

Join us!



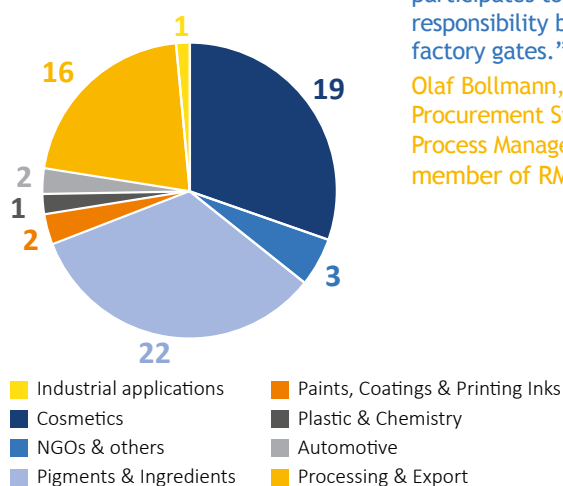
The long-term success of RMI's programs depends on a strong and diverse membership base. Membership in 2020 grew to 66 organizations compared to 56 members at the end of 2019, reflecting the continued interest in RMI's mission and programs.

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, automotive 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 in India or other areas, as well as any CSO willing to join forces. RMI's operating budget relies largely on member dues which provide 96 percent of operating revenue.

Current RMI members can be found [here](#)



RMI was pleased to welcome two major members of the automotive industry, Daimler AG and Porsche AG, demonstrating the multi-sectoral interest in addressing mica-related issues.

"By joining the Responsible Mica Initiative, Porsche takes its responsibility for its impact on Indian mica-dependent communities. Committing to improve people's lives thanks to concrete on-the-ground actions and to support the implementation of responsible workplace standard all along the supply chain participates to Porsche's vision, where responsibility begins a long way from the factory gates."

Olaf Bollmann, Vice-President Procurement Strategy, Capacity and Process Management, Porsche AG and member of RMI Board of Directors

Members' Commitments

Organizations joining RMI have to agree to and sign the Membership Form and Commitment Letter included in [RMI's Rules of Governance](#) as well as its [Competition Charter](#) in order, but not limited to:

- Committing to support its supply chain stakeholders in implementing RMI workplace standards.
- Sharing on annual basis mica supply information with the RMI secretariat only and under an NDA: volumes of sourced mica, the names and locations of mines and processing units and the mines where their mica is sourced, and percentage of traceable mica.
- Paying the annual membership fees.

Benefits for Members

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



Help create a fair, sustainable, responsible Indian mica supply chain by reaching recognized environmental, social and societal standards



Benefit from the collective strength of other members and partners to accelerate the implementation of RMI's holistic programs quickly and with the efficient application of member supported resources



Benefit from best practices, toolkits and customized trainings developed by RMI, with access to all documentation and work from the Initiative on a dedicated portal



Have a seat at the RMI decision-making table by participating in the RMI annual General Assembly, and by deciding on RMI's strategy and roadmaps

ANNUAL REPORT 2020



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