



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

# **6YEARS OF PROGRESS**

2017 - 2021





- Finalized the <u>Global Workplace ESG and Due</u> Diligence Standard for Mica Processors with the Responsible Minerals Initiative to guide implementation of responsible mica supply chains
  - Designed and introduced blockchain-based traceability platform
  - Launched Community Empowerment Programs (CEP) in 130 villages, bringing 8 local NGOs together to benefit 10,000 households



- Completed third-party impact assessments of CEP with the support of Improve Y-East validating program impacts for mica-dependent communities
- Engaged with Bihar and Jharkhand governments in India, leading to the co-development with the Jharkhand government of a potential legal framework for the mica sector
- Determined living wage levels for typical micadependent households in India and Madagascar with the support of the Fair Wage Network
- Participated in international human rights and child labor forums, raising awareness about stakes in mica supply chains
- Collaborated with or joined multiple international organizations, exchanging on best-practices



-22

- Joined <u>Global Battery Alliance</u>
  - RMI membership growth from 20 to 74

Responsible Workplace Standards:

blockchain-based traceability platform successfully deployed and available to all

members

third-party audits of Global Workplace ESG and Due Diligence Standard for Mica Processors implementation

in-person trainings facilitated in India, benefiting 270 workers and managers in processing units

CSO partners committed to RMI's programs

comprehensive suite of in-person

and e-training modules covering environmental, health and safety, social, governance and associated

due diligence practices

new villages added under **RMI Community** 

libraries established

people got medical attention during one of the **60+** health camps

dedicated volunteer

the ground

development professionals on

**180** 

villages benefitting from RMI's Community Empowerment Program 91,000 people

- 16,000 households

93% to 96% of children in villages covered by CEP enrolled in school

900

marginalized families received financial and technical support to sustain their livelihoods

2022

**KEY FIGURES** 

households enrolled in government health insurance programs

**Community** 

**Programs:** 

**Empowerment** 

Legal **Frameworks:** 

policy regarding mica scrap (dhibra) adopted in Jharkhand by Honorable Shri Hemant Soren, Chief Minister of the State

Empowerment

Program

economic model of the mica supply chain developed with the support of BASIC to assess the impact of costs related to the formalization of mica artisanal-and-small-scale mining (ASM) and to the payment of a living income in mica-dependent communities for all players along the supply chain

trategic workshops with key stakeholders in Jharkhand with **400+** participants

RMI participated in 2 human rights related podcasts

strategic partnership with the ILO Asia

Regional Child Labour (ARC) program to

showcase, using RMI India programs, how

business-led initiatives can contribute to

prevent and eliminate child labor in the mica mining and processing sectors

> RMI spoke at 11 international supply chain and human rights events

#### **Resources:**

legal framework discussions

facilitated under the auspices

of the Intergovernmental Forum

on Mining, Minerals, Metals and

Sustainable Development (IGF)

- 1 new internal Annual Report on Progress introduced to all members to track progress against 2030 strategy
- 2 new RMI team members hired to develop programs in Madagascar
- **82** RMI members who represent over 50% of India's mica exports (by volume)
- 4th annual report published to report on RMI progress and journey toward responsible mica supply chain

# Madagascar:

- 1 strategy drafted for the introduction of RMI programs in the country
- **10** mine sites visited

100+ key stakeholders of the mica supply chain identified



- **05** Message from the President
- **06** 2022 Strategic Accomplishments
  - 06 Deployment of a blockchain-based traceability platform
  - **07** Acceleration of government action
  - **08** Raising RMI's voice at a global level
  - **09** RMI's first steps in Madagascar
  - 10 Supporting implementation of responsible workplace standards
  - **14** RMI's support to mica-dependent communities
- **16** Looking ahead to 2023
- 18 About mica
- 19 About RMI
  - **19** A vision supported by a holistic approach based on three pillars
  - **20** A coalition for action answering growing sustainability expectations and calls for a more stringent regulatory framework
  - 20 A continuous and global engagement with key stakeholders
  - 21 A balanced governance to ensure all voices can be raised
- **22** Membership
- **24** Financials
- 25 RMI partners
- **27** Glossary

# MESSAGE FROM THE PRESIDENT

Dear Reader,

Thank you for investing your time to read the 2022 Responsible Mica Initiative (RMI) annual report. You may already be familiar with RMI and want to learn about the many tangible results of our programs this past year. Or perhaps you are new to us but are curious about RMI and want to learn about how RMI programs are charting a course to source mica responsibly, eliminate child labor and promote sound workplace practices. Whether you are a long-time supporter or newcomer, I am pleased that you have come to read our report and learn about our work. Welcome and join in!

RMI members are aware of the unique properties and many applications of mica from which they benefit. But we are equally aware of our responsibility to create and maintain a mica supply chain that is fair, responsible, sustainable and free of child labor. Our work in 2022 made important strides towards achieving these goals. Since our inception and as part of our due diligence efforts, RMI has worked to create a transparent and secure mica supply chain. Last year we adopted a novel use of blockchain technology to trace mica along the full length of its supply chain. RMI members will be able to utilize the traceability tool to monitor their individual supply chains as well. Also in line with our due diligence initiatives, for the first time we facilitated the application of third-party audits to validate mica processor compliance with RMI's Global Workplace ESG & Due Diligence Standard for Mica Processors.

RMI's Community Empowerment Program grew to reach a total of 180 villages bringing health and nutrition services, education and access to government resources to 91,000 adults and children in mica-dependent communities. To validate our efforts, we conducted an external impact assessment which, importantly, also demonstrated that our programs are sustainable once they are handed over to communities.

To build support for our programs, RMI continued to invest time and effort facilitating multi-stakeholder dialog. A key goal was achieved in 2022 when a series of workshops with the government of Jharkhand was facilitated. The discussions centered on a policy to formalize and legitimize mica picking and establish clear policies for operating mica sites. That model is now close to realization. To accelerate progress a set of stakeholder workshops were hosted and supported by the State government in Ranchi.

We have always hoped that what we have learned through our work in India could be applied elsewhere and we're excited to have planted the seeds of RMI's strategy in the mica-dependent communities of Madagascar. Our new staff there has already engaged with multiple stakeholders to tackle child labor, unsafe workplaces and underserved communities.

In the following pages, my fellow RMI members and I proudly share the many RMI accomplishments and the contributions of our partners over the past year as well as ambitious plans for the years ahead. Read on and consider how you might be able to contribute to our efforts for the sake of mica-dependent communities in India and Madagascar and for the benefit of mica-dependent technologies around the globe.

Yours,

Mr. Karsten Müller RMI President

a. Man



# Deployment of a blockchain-based traceability platform

Supporting members answering an always more stringent regulatory framework

Since its inception, the Responsible Mica Initiative has appreciated the need to develop a traceability tool. At first, mapping by RMI members of their own mica supply chains was considered sufficient. However, the need for a stronger tool has grown. In the six years since RMI was established there has been an increase of expectations for supply chain due diligence in general, including calls for mandatory reporting of corporate supply chain sustainability performance.

In response to these trends and reflected in RMI's long-term strategy adopted in 2021, RMI decided to develop a digital solution to monitor not only the aggregate impact of all its members but also give each member access to its proprietary company data. Tilkal, a leader in blockchain technology applications, was selected to develop a blockchain-based traceability platform which could follow mica volumes at every stage from processors to end users. Blockchain's decentralized application, ability to provide auditable data and ease of deployment make it ideally suited to tracing mica supply chains.

Using the aggregate data, RMI is now able to identify businesses along the supply chain and ensure that each has adopted or pledged to support the establishment of responsible workplaces. For now, the traceability platform monitors volumes upstream as far as mica processing units and enables the calculation of key indicators for each member to get a sense of the sustainability performance of its mica supply chain. As well, individual RMI members can increase their transparency by sharing their mica sourcing information with their supply chain partners.

To validate RMI's program, including the development of a traceability platform, RMI asked Löning, an international management consultancy firm specializing in human rights, to evaluate whether the program fulfilled a range of human rights and related due diligence expectations. When it comes to the mica supply chains, the Löning assessment confirmed that RMI member workstreams follow international standards and adhere to procedures that will meet current and anticipated legal requirements.

RMI's blockchain deployment, the first of its kind at the scale of a global supply chain, has demonstrated that common monitoring of upstream mica supply chains can both enable a greater collective impact and support companies downstream in addressing growing expectations for supply chain due diligence, especially in problematic sectors such as mica sourcing. RMI will continue to adjust the platform to ensure it keeps pace with latest technologies, delivers accessible information to its members and stakeholders, and aligns with RMI's philosophy of continuous improvement.

# Acceleration of government action

Promising steps towards the establishment of a clear and fair legal framework in Jharkhand

#### Multi-stakeholder engagement

Four multi-stakeholder events were organized in India to discuss mica mining policies in the state of Jharkhand. The engagement of nearly 400 people and the progress made during these events reflected the strength of RMI's multi-stakeholder approach. High level officials from the Mining, Geology, Forest, Women and Child Development departments, district level officers, line departments, elected representatives and parliamentarians, global business community members, mica exporters, and civil society and worker representatives shared their views and suggested potential paths forward that were later adopted by the Jharkhand government in a milestone decision by the Jharkhand government to establish a new Dhibra Policy (explained to the right).

#### **Public-private Sector Engagement**

A series of public-private sector dialogues were also organized with local mica exporters, the Jharkhand Chief Minister's office and district administration leaders to share on-the-ground perspectives from both marginalized mica pickers and downstream actors such as processors and exporters. The meetings provided an opportunity to explain the issues faced by the broader mica community and urge officials to identify and implement concrete actions to improve the life of the mica pickers and, in the process, revive the economy around the local mica industry.

#### **International Labor Organization**

RMI has established a strategic partnership with International Labour Organization (ILO) in India. The ILO has long been a driving force behind regulations and standards to protect workers, provide safe workplaces and respects human rights including the prevention of child labor. Partnering with the ILO on advocacy-focused work in India will further strengthen RMI's ongoing efforts to provide safe working conditions in the mica sector, free of child labor.



#### **Progress Toward Legalizing Mica Mining**

Thanks to the continuous engagement of the RMI team in India and the discussions and recommendations coming out of the workshops described above, the Jharkhand Mining and Geology Department published its long awaited "Dhibra Policy" by amending the Jharkhand state Minor mineral concession rules, 2021. The amended rules entered into force on March 3<sup>rd</sup>, 2022 and has:

- Designated the Jharkhand State Mineral Development Cooperation (JSMDC) as the government agency responsible for rolling out the policy;
- Acknowledged the creation of mica picker cooperatives which would enable the legal collection of mica scrap (waste or scrap mica is referred to as dhibra) and also address worker safety and welfare; and
- Established an auction process for dhibra collected by the members of cooperatives-to-be under the auspices of the JSMDC that will make mica available to mica processors through a defined, transparent and legitimate bidding process.



# The Dhibra Policy included provisions to:

- Ensure complete mica traceability
- Ensure no child labour
- Provide safe working conditions
- Mitigate environmental risks



This Jharkhand government's landmark policy revision, when enforced, would transform the mica eco-system in the region. Mica pickers would no longer be marginalized. They would become more self-sufficient and be able to more fully participate in and contribute to the growth of the State and the nation. The robust approach would align with RMI member commitment to supply chain transparency and latest blockchain traceability program, the elimination of child labor and the provision of safe workplaces along the supply chain. The policy would also include practices designed to minimize environmental impacts of mica picking.



# **Raising RMI's voice** at a global level

## Broadening awareness regarding eradication of child labor

In 2022, RMI continued to contribute to global discussions around child labor, responsible sourcing and due diligence, and raise awareness around the associated requirements for the protection of children and human rights with a specific focus on remediation efforts. Four events in 2022 illustrate the importance of RMI engagement.

RMI organized two dedicated sessions during the

annual Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) in Geneva. One session included delegates from Madagascar; the second included delegates from India. Both sessions focused on the development of robust legal frameworks to ensure protection of mica workers and the rights of their children.





RMI contributed its expertise in developing and publishing the Global Battery Alliance (GBA) Indices on Child Labor and Human Rights. The indices are part of a larger so-called Battery Passport program which will allow each electrical vehicle battery entering the EU market to have an inclusive environmental, social and governance or ESG rating. OEMs will be able to make more informed procurement decisions.

RMI joined three panels of leading experts to discuss concrete ways to address child labor within complex supply chains. The first was at the Durban 5th Global Conference on the Elimination of Child Labor during a joint UNICEF and Swiss Confederation - Federal Department for Economic Affairs session on "Preventing Child Labour in Global Supply Chains: The Role of Business in Tackling Root Causes." The second was on a podcast with representatives from UNICEF and the World Business Council on Sustainable Development (WBCSD) talking about "Tackling Child Labor." The third session was a Terre des Hommes Germany hosted webinar "Behind the glittering facade – Child labour in Mica mining."

RMI also contributed to discussions around reinforcing due diligence and responsible sourcing during the plenary session on "Expanding due diligence to new supply chains – focus on critical minerals" at the OECD's 15th forum on Responsible Mineral Supply Chains.





# **RMI first steps in Madagascar**

## Building on successes in India and responding to a growing demand from end-use industries

Madagascar is a leading source of the world's supply of mainly phlogopite mica which comes from artisanal mines. Mica-dependent communities struggle with low prices paid for mica which, in turn, result in extreme poverty and poor access to quality education and health services. The use of child labor and unacceptable working conditions are pervasive in mica mines, sorting sites and exporting facilities. Following the success of RMI programs in India (largely a source of muscovite mica), a selection of end-use industries asked RMI to evaluate the feasibility of introducing its holistic, three pillar approach in Madagascar. RMI initial fact-finding work began in 2021 with the organization of an exchange trip to India for Malagasy authorities that led to the establishment of the interdepartmental Joint Action Plan to fight child labor in Madagascar mica supply chains. Programing began in earnest in 2022.



#### Understand the context

In February and March of 2022, RMI conducted an initial round of consultations in Fort Dauphin with more than 20 stakeholders along the mica supply chain to assess the applicability of RMI's approach in Madagascar. Throughout the year, RMI engaged in additional discussions with other stakeholders - mica miners, local consultants, mica exporters, and others - to validate potential approaches.

In October, RMI engaged Afai Consulting, experts in global minerals supply chains, to work with local experts including the Association of Women in Mining in

Madagascar (AWIM) to thoroughly map the mica supply chain with three objectives:

- Identify the stakeholder groups involved in the mica supply chain;
- Understand the roles and responsibilities of each stakeholder: and
- Together with these stakeholders, assess possible approaches RMI could take in Madagascar in order to have the greatest impact.

By the end of the year, the stakeholder identification process had already revealed more than 100 international and local NGOs, government organizations and officials, and members of the private sector involved in the mica

#### Prepare for action

Simultaneously with the launch of an in-depth stakeholder assessment, RMI recruited a local team in September. A Program Manager, Marine Gourvès, and a Supply Chain Coordinator, Franconi Manera, have efficiently started to put their experience to work building relationships and apply their knowledge of the local mica supply chain to lay the groundwork for a program. RMI opened an office in Fort Dauphin. The RMI strategy adopted in India began to be adapted for use in Madagascar to identify key quantitative objectives and the actions that will help achieve them.

#### Formal engagement

By the end of the year, key stakeholders at national, regional and local levels had been introduced to RMI and its approach through meetings with the Ministry of Mines, the Ministry of Labor, the Ministry of Population, the Bureau du Cadastre Minier, regional and local officials and representatives, and NGOs, among others. Their feedback and support were encouraging and bode well for the future of mica-dependent communities. On the ground, RMI staff and partners visited more than 10 mines and, at five sorting facilities, met with 14 collectors and 13 exporters to better understand the market and introduce RMI's approach. During the visits, market data were collected for an economic survey to be prepared for RMI with the support of <u>BASIC</u>.



By year end, two exporters joined RMI and others expressed interest in joining as well. RMI also offered its support to the Association des Exportateurs de Pierre Industrielles (AEPI) and the Fédération des Opérateurs Miniers Malgaches (FOMM) to design a project and submit it to the EU delegation in Madagascar. The project proposed to evaluate and improve conditions at artisanal mica mines. Results were still awaited at the time of publication of this report.

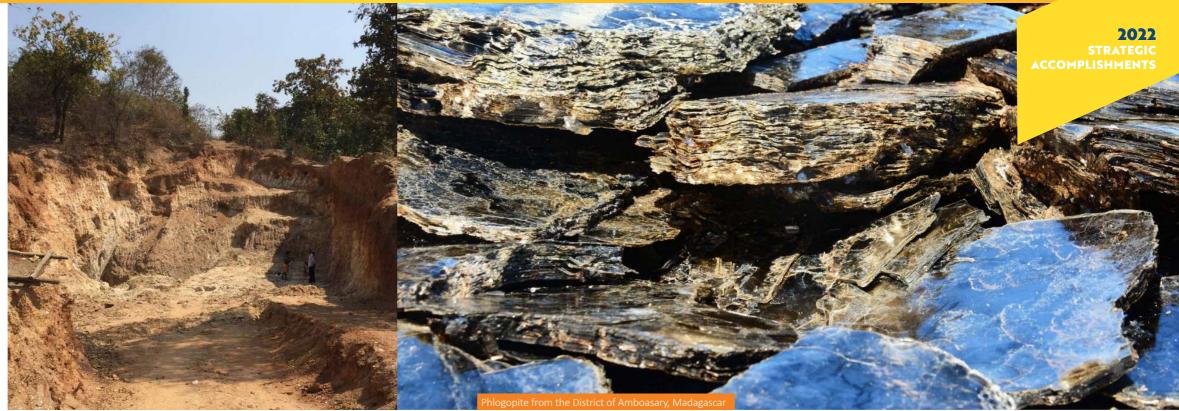
Annual Report 2022 9 8 Annual Report 2022



# **Supporting** implementation of responsible workplace standards

Participation of upstream players in a responsible mica supply chain

The Responsible Mica Initiative focused its support for mica processors in India with the deployment of two complementary programs.



### **Processor Training**

RMI introduced a suite of training programs, developed with the support of PetOSH, to enable processors to adopt and adhere to the Global Workplace ESG and Due Diligence Standard for Mica Processors. The course includes template policies which are made available to member processors. The training is designed to be conducted either in-person or via e-learning modules (e-learning modules were developed with the support of Anthony Dortumor) each of which offers three proficiency levels – learner, practitioner, and champion – designed to meet the responsibilities and experience of the participant. Each level is paired with follow-up curricula to enable participants to advance to the next level or, for champions, to keep abreast of new resources. In 2022, 32 in-person training sessions were conducted with a combined total of 270 workers and managers participating from nine processing units.



#### **Processor Audits**

In 2022, RMI introduced a program to help processors prepare for and complete third-party audits and to implement corrective actions identified during the audits. In 2022, five external audits were organized. Prior to audits, workshops familiarized processors with auditing practices with special attention to the provisions of the Global Workplace ESG and Due Diligence Standard for Mica Processors. For example, the criteria and associated scale of criticality – zero tolerance criteria, major criteria, minor criteria – used by auditors were explained. During audits, RMI's team in India was available to processors in case they needed help understanding or answering auditor questions. Following audits, RMI staff were available to help processors implement corrective action

#### The handholding support to mica processors, a key towards responsible workplace practices:

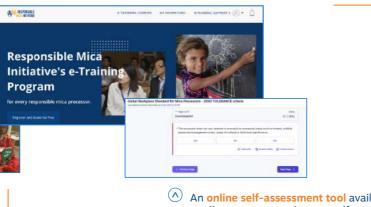




A platform of e-trainings for processors to take courses online Three levels: learner, practitioner, champion Both for managers and workers



Facilitation of in-person training sessions for processors' management & workforce...



An online self-assessment tool available to all processor members to self monitor their sustainability performance





The Community Empowerment Program (CEP) established long-term targets based on the needs identified during initial baseline surveys. Target setting provides the opportunity to monitor, measure and report on annual progress. By the end of 2022, RMI programs delivered significant results.



At the end of a 3-year cycle of CEP implementation, between **25% and 40% of all covered households** had a secondary source of income.



1,110+ severely
marginalized families
received technical and financial
support that enabled them to earn
a livelihood with dignity.

# **Nutrition and health programs**



61 organized health camps were used by almost 10,400 mica-dependent people. The COVID-19 pandemic unfortunately prevented large gatherings.

23,260+ eligible individuals have been linked to a government health and insurance program.





**2,090 kitchen garden kits** were distributed enabling households to grow their own vegetables, **improving their nutrition and reducing their expenditures** 

**37 community safe drinking water systems**have been installed or repaired.



# **Quality education**



93 to 96% of children were enrolled in school at endline



105 schools have effective School Management Committees to monitor progress.

**86 libraries** are now established in government schools and at district level.





51 Anganwadi (childcare) Centers (AWCs) have been transformed into model AWCs.

# **Government support**



160 community volunteers joined their local CEPs and were trained to help fellow villagers access social security resources, identify government agencies to fulfill special needs, engage with local School Management Committees and foster skills to promote child forums where children can voice their concerns.



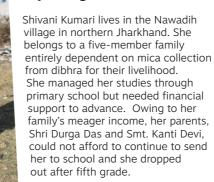
**42 meetings**were organized between **Panchayat representatives** (village leaders) **and policy makers.** 

# Inspirations for Change





# Gaining confidence and improving school results



While in primary school, Shivani had been identified as a slow learner and was able to benefit from the classes provided by Special Learning Centers implemented by the RMI-sponsored CESAM consortium in her village. These classes, delivered for free, enable students like Shivani to receive extra attention and benefit from an efficient and engaging activity-based learning curriculum. Shivani showed significant improvement in reading, writing and math, and she gained confidence and wanted to continue her studies. Yet money remained a concern.

At the same time, with CESAM's help, her family was able to open a grocery store which provided her family with additional income. With an increase in her family's income Shivani was able to return to school. She also discovered a passion for football and demonstrated outstanding skills. She won the Best Player Award during the Regional Mica Festival championship and she is now playing on the District Football team!



#### Quote from Shivani:

"I thought I was good for nothing and always hesitated to think I could achieve more. But now I am confident that by working hard on my skills I can attain anything. Thank you CESAM for helping me regain my confidence!"

# Benefitting from a social security scheme

Manisha Murmu is a 13-year-old girl living in Domasar village located in the Tisri block of the Giridih district of Jharkhand. She's in the seventh grade. Her mother, Kiran Hansda, is solely responsible for the care and education of the family. In 2022, the BJSAM consortium held a Social Entitlement Camp in the village to explain to community members what types of government programs they were entitled to benefit from. Such programs include e-shram cards which provide access to labor benefits and Ayushman cards which give villagers access to government provided health care.

During the year Manisha became seriously ill and her family fell into financial trouble because of increasing expenditures related to her care. Even after multiple visits to doctors at the community health center, Manisha's condition was not improving. Priska Tudu, a CEP volunteer working with the BJSAM consortium, urged Kiran to take her daughter to Patlavati, a private hospital where she could use the Ayushman card in lieu of payment. There, Manisha was diagnosed with both typhoid and malaria and was treated accordingly for free. After a full recovery, Manisha was able to return to school.



9 0 11 213 WH CEUTH

#### Quotes from Kira, Manisha's mother:

"I got the entire benefit of the Ayushman card I received at the social entitlement camp. This entire experience saved me Rs8,000 [approximately €90] and my confidence in my ability to care for my family has grown. Now I know that if I am unexpectedly diagnosed with a sickness, I can receive free treatment up to five lakhs [approximately €5,600] using my Ayushman card. The Ayushman card and the information I received at the camp has been a blessing for me, and I thank the organization and its employees from the bottom of my heart."

12 Annual Report 2022 Please refer to the glossary on p. 25-26 for the full names of RMI's many partner organizations.

Annual Report 202



# RMI's support to mica-dependent communities

Continuous engagement with RMI long-term partners

### **Community Empowerment Program (CEP)** in 180 villages

Following six years of design, introduction and continuous improvement, programs have been deployed by RMI's consortia of <u>local partners CESAM and BJSAM</u> in 180 villages. Throughout 2022, RMI pursued its support of mica-dependent communities providing a variety of initiatives that empower communities.

- Assets such as water pumps, sewing machines, and other equipment were distributed to support individual and community entrepreneurship and has led to the creation of cosmetic shops, clothing stores and candle factories employing more than 260 people who now have an income stream not wholly dependent on mica picking.
- Common facility centers where farming tools can be rented for a token amount have been established and led to more efficient agricultural practices.
- Nutrition and health camps, and support to Anganwadi centers for children, have continued to improve the access to health services and basic medical attention.
- Particular attention was devoted to improving access to quality education. From the establishment of Balwadi centers for children three to six years old to teacher orientation on activity-based learning and the benefits of sports, and the creation of community libraries. RMI programs build children's confidence as they regularly attended school.



# The true impact of CEP confirmed by an

After the success of BJSAM impact assessment of RMI programs in 2021, Improve and Y-East were selected to carry out a similar exercise for CEPs implemented by CESAM. The outcomes of the assessment are unambiguous: over the three-year implementation period the CEP is bringing true added value to micadependent communities.

- 95% of households have been linked to at least one type of government social security program, which generally led to reduced personal expenditures.
- 74% of the children and 84% of adults perceive positive changes in their schools.
- The more frequently villagers attend health and nutrition camps, the more their health improves.
- Almost 80% of those surveyed say they enjoy better health than before the CEP implementation.

# external assessment



## **Capacity Building**

## Creating an international CSO coalition

In 2021, RMI took the initiative to coordinate programs with other civil society organizations (CSOs) and funding agencies active in the mica belt and created a coalition with these voluntary organizations to create a collective framework to assess their combined impact. The framework will be completed in early 2023 and enable each participating organization to share highlights and indicators on how programs are being implemented. The shared framework will also prevent duplication, improve efficiency and help build a common strategy to reach 100% of mica-dependent villages based on the estimate provided by the Global Mica Committee.

#### Leveraging the collective strength of the **Global Mica Committee**

RMI facilitated periodic meetings of the Global Mica Committee (GMC), a consortium of more than 40 regional CSOs committed to improving conditions for and overall development of mica workers and their communities in Jharkhand and Bihar. In 2022, 28 CSOs participated in six

The GMC has also commissioned and released a unique in-depth study - voluntarily organized by the GMC and financed by RMI and Terre des Hommes Netherlands - designed to estimate the number of villages and communities that are dependent on mica for their livelihood. The study also contributes to a better understanding of the local socio-economic conditions at the village level and how conditions impact the mica community.











In 2023 and beyond, RMI will maintain its three-pillar approach and remain focused on fostering responsible workplace practices, empowering mica-dependent communities, and supporting development of a legal framework for the sector. RMI will also continue its multistakeholder approach by engaging with individuals, organizations and governments on the local, state, national and international stage. Three projects are worth highlighting.





The success of RMI workplace standards and community empowerment pillars rests in part on providing a fair living income or wage for mica workers. In 2022, RMI commissioned two studies to determine not only what a fair income would be but, importantly, how a potential increase in the market price of mica - needed to support higher incomes and wages - would affect the economic viability of the entire mica value chain, from mines to final end-market brands.

The Fair Wage Network was asked to assess what would be a fair price for mica that would enable mica workers to earn a living income.

BASIC was asked to assess the impact on the price of a selection of end-use products containing mica whose price included the cost of higher wages. Their economic model considered the impact of a legalized mica sector and adoption of sound workplace practices, among other factors.



RMI intends to release the findings of these founding studies in 2023, first for India and later for Madagascar. Then, with the support of experts, RMI plans to design and implement a set of actions that would enable the payment of a living income or wage to all mica workers within its members' mica supply chains. RMI anticipates implementation will take time given long and complex mica supply chains, a largely artisanal and informal sector, and the lack of examples from other industries that could serve as models.

#### Implementing co-developed formalization models in Jharkhand, India

Building on the recent progress demonstrated by Jharkhand government, RMI will continue to provide expertise and support to help implement a model for formalization of mica picking and related supply chains in the state which will include the creation of cooperatives for mica pickers. RMI hopes to continue to be a resource in designing procedures and operational guidelines with special focus on measures to eliminate child labor at dhibra collection sites.







## Piloting RMI's approach in Madagascar, focusing on mines and exporters

Building on six years of accomplishments in India, RMI will implement a pilot program in Madagascar. Thanks to its new team based in Fort Dauphin, RMI has already begun to work with mica exporters to explain the Global Workplace ESG and Due Diligence Standard for Mica Processors. RMI will be able to train volunteering exporters and develop a dedicated training focused on mine sites. RMI will also offer to join or facilitate local multistakeholder platforms that would contribute to efforts that move toward the legalization of the mica supply chain in the south of Madagascar.

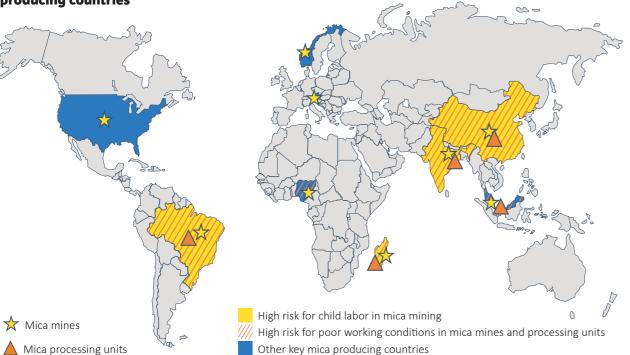


Mica is a family of 37 minerals used in a wide range of industrial sectors that benefit from the mineral's diverse properties. Mica's reflective optical properties are utilized in cosmetics as well as in paint and coatings. Its exceptional natural electrical insulation properties make mica an integral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

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

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

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



# **ABOUT RMI 1**



# A vision supported by a holistic approach based on three pillars

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

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

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

Specifically for India, RMI and members set these targets:	1	2	3	
Programs areas	Responsible Workplace Standards	Community Empowerment Programs	Legal Frameworks	
2030 Targets	100% of members' volumes from Jharkhand & Bihar are compliant with responsible workplace standards	100% of mica-dependent villages in Jharkhand & Bihar are covered by components of Community Empowerment Programs based on a coordinated approach	Aim for 100% of mica workers to benefit from a clear and enforced legal framework in Jharkhand & Bihar	
Relation to Eradication of Child Labor	Standards have zero tolerance for the use of child labor and advocate for payment of fair local wages	Poverty and lack of quality education are two root causes of child labor which CEPs are designed to address	Formalization and legal recognition of mica mining activities will make child protection laws enforceable	
Relation to the establishment of Responsible Supply Chains	Ensure responsible workplace practices among members and along their mica supply chains	Empower mica-dependent households and reduce child labor occurrences along members' supply chains and in the whole mica belt	Collectively accelerate transformation of practices at the local level, benefiting member supply chains. Increase legitimate and legal sources of mica	

Sources: UN Comtrade, Elevate EiQ, SOMO, others – same map

Annual Report 2022

Annual Report 2022



# **ABOUT RMI 2**

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

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

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

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

Altogether, RMI members both benefit from the work done by the initiative and also contribute to make these strategies more efficient and aligned with today's increasing expectations for responsible supply chains.



#### Governments in India and in Madagascar

Throughout 2022, RMI pursued its engagement with the Jharkhand government in India and has recently welcomed the significant progress made toward the creation of a legal framework for the mica sector and the first steps towards the implementation of a formalization model. The model is based on concepts, including the creation of cooperatives for mica pickers, presented by RMI to the Jharkhand Chief Minister and the Secretary of Mines in 2021.

After initiating discussions in Madagascar in 2021, RMI detailed its approach to key institutional stakeholders in 2022 and received a significant support from both central and regional government bodies, leading to a formal introduction in the country. RMI has proposed to support the government in its implementation of the National Joint Action Plan prepared in 2020 to address mica-related issues. RMI has also widely shared its conviction that better organization of the mica industry in the south of Madagascar, where severe droughts have exacerbated village conditions, could offer additional sources of livelihood and contribute to the long term social and economic development of mica-dependent communities.

# Intergovernmental Organizations and Industry Associations

RMI is involved with several intergovernmental organizations and industry associations — such as the OECD, UN Global Compact, Global Battery Alliance, and Responsible Minerals Initiative — to amplify its actions by sharing its experience and learning from others. Through these relationships, RMI participated at global meetings addressing human rights issues, responsible sourcing and supply chain improvement. Notably, in 2022 RMI participated in the development of the Child Labor and Human Rights Index that was included in the Battery Passport launched by the Global Battery Alliance in early 2023. This is an important end-market initiative that will contribute to supply chain responsibility in the rapidly growing electric vehicle value chain.







# **ABOUT RMI 3**



# Balanced governance to ensure all voices can be raised

The creation of the Responsible Mica Initiative was proposed in 2017 in response to the resolutions reached at the 2016 Delhi Mica Summit where participants from industry stakeholders and 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 associate (non-dues paying, non-voting) members who review and validate RMI's strategy, progress and budget and elect members to the Board of Directors.

#### **Board of Directors**

Rotating members of the Board of Directors serve twoyear 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 2022 and is currently comprised of:

**Karsten Müller,** Merck *RMI President* 

**Grainne Le Fevre**, Terre des Hommes Netherlands *RMI Vice-President* 

**Imogen Hosker,** Coty *RMI Secretary* 

**Nisrine Carmen Zaaraoui,** L'Oréal *RMI Treasurer* 

**Eduardo Lopez-Doriga,** CQV *RMI Administrator* 

Jan Sueltemeyer, Avient RMI Administrator

**Olaf Bollmann,** Porsche *RMI Administrator* 

**Riaz Zaman,** World Coatings Council *RMI Administrator* 

**Terry Hughes,** Elmelin *RMI Administrator* 



#### **Executive Team**

Daily operations of RMI are managed by an Executive Team that is responsible for implementing directives from regular meetings of the action groups and from the General Assembly, and monthly input from the Board of Directors

The Executive Team is comprised of an Executive Director, Fanny Frémont, and a Program Director, Olivier Dubourdieu, both based in France, a Program Director, Vijay Jain, and a Workplace Standards and Sustainability Manager, Gautham Eswar, both based in India. Two additional team members, Marine Gourvès and Franconi Manera, based in Fort Dauphin, Madagascar, joined RMI in 2022 as Country Manager and Supply Chain Coordinator, respectively. They will develop and implement RMI's strategy and initiative in Madagascar, deploying RMI tools for local exporters, mica miners and members of the broader mica community.



20 Annual Report 2022 21



The long-term success of RMI's programs depends on a strong and diverse membership base. Membership in 2022 grew to 82 organizations compared to 74 members at the end of 2021, reflecting the continued interest in RMI's mission and programs.

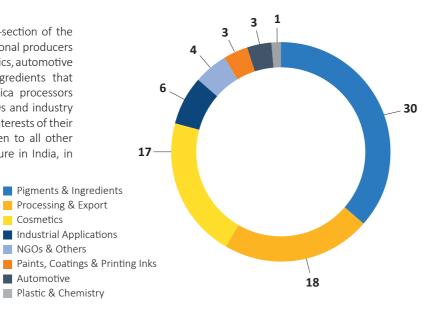
Cosmetics

Automotive

#### **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 and Madgascar'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 procure in India, in

Madagascar or other countries, as well as any CSO willing to join forces. RMI's operating budget relies largely on member dues which provide 98,5% of operating revenue.





"Elmelin joined the RMI to actively contribute to change in the mica supply chain." As a business who actively uses mica in everything we do, we believe actively participating in effecting change is significantly more important than pure supply chain compliance. As a team we all subscribe to the RMI strategy and believe we should all contribute to helping bring that change about to improve peoples lives."

**Terry Hughes**, Managing Director, Elmelin



#### Members' commitments

Organizations joining RMI must agree to and sign the Membership Form, Commitment Letter and Members' Principles included in RMI's Rules of Governance as well as its Competition Charter in order, but not limited to:

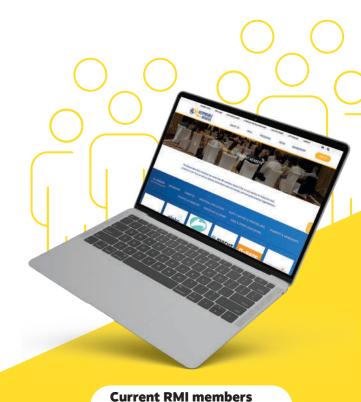
- Commit to support its supply chain stakeholders in implementing RMI workplace standards.
- Share on an annual basis mica supply information with the RMI secretariat only and under confidentiality agreement as part of RMI's blockchain traceability program: volumes of sourced mica, the names and locations of mines and processing units where their mica is sourced, and percentage of traceable mica.
- Pay 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.



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 one or several action group(s). The action groups met 11 times in 2022.



# RMI members...

Help create a fair, sustainable, responsible mica supply chain by pursuing adoption of recognized social and environmental standards

can be found here

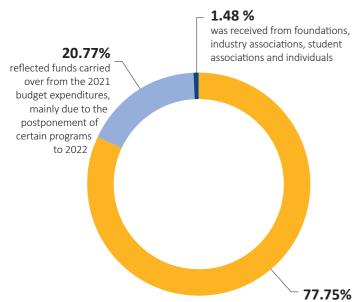
- Benefit from best practices, toolkits and customized training developed by RMI, with access to all documentation and work from RMI on a dedicated
- Have a seat at the RMI decision-making table by participating in the annual RMI General Assembly and by deciding on RMI's strategy and roadmaps
- Benefit from the collective strength of other members and partners to accelerate the implementation of RMI's holistic programs and through the efficient application of member supported resources
- Can use RMI program pillars to meet requirements under existing and upcoming Human Rights and Due Diligence regulations related to mica, on the specific mica case.

Annual Report 2022 23 22 Annual Report 2022



# RMI PARTIERS

# RMI's budget in 2022 was €1,519,057, a 23% increase compared to the 2021 budget of €1,233,007, due principally to increased membership.

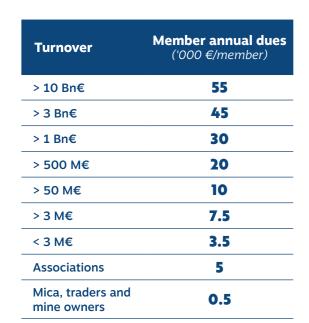


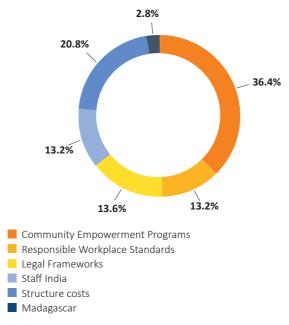
of the budget was provided by member 2022 dues of €1,181,000 (+16,5% vs 2021) Dues are assessed based on member company annual revenues with a cap that is intended not to disproportionately charge larger companies. Special consideration is afforded to industry associations, whose own members may be dues paying RMI members such as NGOs, and small upstream suppliers in India and Madagascar who may also be assuming the costs associated with adopting RMI's workplace standards.

Expenses of  $\[ \]$ 280,339 (18.6% of available budget) were allocated to management and administrative costs. Expenses of  $\[ \]$ 1,063,231 were associated with the development and implementation of RMI's three program pillars in the field, including the program launch in Madagascar. The year-end surplus of  $\[ \]$ 175,487 was largely due to:

Postponement of programs related to ASM (Artisanal Small-scale Mining) formalization in Jharkhand (India), since formal announcement and commitment from Jharkhand Government on sector formalization came late December 2022.

Reduced use of external service providers.





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



**Afai Consulting** works with mineral supply chains across the globe and at every step of the supply chain. Their work focuses on supporting responsible mining practices in the upstream, from the mines to the refiners and processors, and in bringing information on these practices to downstream stakeholders and decision makers in both the private

and the public sector. They bring a clear understanding of the challenges faced by complex mineral supply chains along with the pragmatic solutions needed to address such challenges. Over the last seven years their projects have focused on minerals both in and outside the limelight, including: mica, precious metals and stones, industrial and construction materials and the minerals required for the development of renewable energy. These projects have taken them to Central and Southern Africa, South America and South Asia, where they have been privileged to establish close relationships with local actors, such as AWIM, their partner in the mapping of Madagascar's mica stakeholders.



As an instructional designer and e-learning developer, Anthony Dortumor is passionate about creating engaging and effective learning experiences for learners. With a strong background in instructional design, he has extensive experience in developing e-learning content that is both interactive and impactful. As an instructional designer and e-learning developer dedicated to creating

e-learning content that is both engaging and effective, Anthony can help learners to achieve their goals. For more information: www.linkedin.com/in/dortumor



**AWIM** (Association of Women in Mining, Madagascar) is a young association gathering professionals of mining and extractive industries. AWIM aims to bring a renewed vision on women

and girls in all sectors of the mining industry to improve their living and working conditions. AWIM builds on the competencies of each member as well as on the strength of the group as an association to provide key inputs on administrative, political, social and cultural, fiscal and environmental issues. AWIM's approach covers direct and indirect interventions such as participation in opinion gathering and taking positions during events, awareness raising, actions with stakeholders in relation to the mining and extractive sectors. AWIM is particularly sensitive to the conditions of children impacted by mining activities and partners with international organizations such as Afai Consulting to help improve the Mica sector in Madagascar.

# 3ASIC

**BASIC** conducts social and economic analysis on value chains and on their governance and sustainability, with the objective of fueling the public debate and supporting the social and

environmental transition of actors and territories. The studies and tools published by BASIC are designed to inform the public, through partnerships with civil society organisations, and help decision-making processes of public and private actors. Since its establishment in 2013, BASIC has published studies on the value chains of a wide range of products from the agricultural and extractive sectors, applying a unique methodology to estimate prices, costs, taxes, and margins along the value chain and enabling scenario-based modelling.



**Bal Kalyan Sangh (BKS)** is an NGO in India registered as a Society and is based in Ranchi, Jharkhand. BKS closely works with vulnerable communities, especially women and children, and empowers the socially marginalized by

providing need-based support, e.g., opportunities for livelihoods, education, health, child protection and women's empowerment. BKS is delicately working for the protection and reintegration of migrated, child labour and vulnerable victims or survivors of trafficking.











RMI has **six local CSO partners** organized in two consortium, BJSAM and CESAM, which employ more than 90 development professionals to implement the Community Empowerment Program. RMI's partners provide expertise in disciplines that promote social and economic development in underserved rural communities. RMI and program partners amplify their community outreach by identifying and coaching members of each village who are trusted and can serve as ambassadors to explain program elements to the broader population.

24 Annual Report 2022 25



Created 10 years ago, Improve is a social enterprise whose mission is to guide actors towards the social good. Whatever the stage of development or the size of a project,

Improve guides organisations in achieving their social mission by providing expertise in impact evaluation. Using a range of quantitative and qualitative evaluation methods in addition to cost-benefit analysis, Improve adapts its approach depending on the needs of the organisation. Improve's three main approaches are: impact evaluation consulting and implementation, impact evaluation coaching, and made-to-measure training. Improve has worked with more than 150 organisations, including investment funds, foundations, businesses and charities.



The Fair Wage Network is an organization that was set up in 2010 with the aim of developing fair wage practices in individual companies and

within their global supply chains. It offers a number of valuable tools such as an extensive living wage database (covering all countries and more than 3,000 individual cities and regions), the holistic fair wage approach that defines fair wages around 12 complementary dimensions and on which the performances of individual companies are captured through management and workers' surveys, living wage gap analyses and certification, remediation programmes and support activities to brands to define and implement their fair wage/living wage strategies.

The Fair Wage Network is internationally recognised as one of the most knowledgeable groups to address wages and related issues at company level and in global supply chains. It has certified a number of major brands and suppliers on living wage / fair wage spectrum, and enjoys a unique legitimacy based on cooperation with all stakeholders and on its contribution to international debates on wages.

La Colline is a Communication & Digital A () WILINF Marketing agency that helps its clients from the creation of their brand platform (positioning, logo, name, graphic charter,

video, brochure, flyer and more) to the optimization of their digital presence (responsive website, online store, mobile app, SEO, social media, online advertising...). Since 2019, La Colline has been working with the Responsible Mica Initiative and has completed several projects including the website, flyers, videos and annual reports. La Colline's partnership with RMI demonstrates the agency's commitment to using its skills and expertise to support organizations that have a positive impact on society. La Colline looks forward to continuing its collaboration with RMI and other organizations with similar values.



The Loft is a place of hybridization, where consultancies, social businesses and NGOs live together, sharing a common cooperative mindset and a commitment to sustainable development. This precious mix inspires clients and partners, who come to recharge their batteries, challenge their perspectives by confronting them with

other realities and models and find new ways to move forward and take smart decisions. The Loft provides an enthusiastic, simple and respectful atmosphere for the benefit of those who want to contribute to society by creating human, social, environmental and financial value.

# Löning Human Rights &

**<u>Löning Human Rights & Responsible Business</u>** Human Rights & Responsible Business is an international management consultancy specialised in human rights. They provide practical and strategic advisory to businesses on how to incorporate respect for human rights into their business operations and along their value chains. They equip organisations with the knowledge and tools to help them conduct business in line with corporate sustainability regulations, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. With presence in Berlin, Luxembourg and the Hague. Löning has already established effective human rights risk management systems for over 50 global brands worldwide. For more information: www.loening.org

#### **Matthew Winokur**

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



TILKOL IIIkal is proud to support RMI with a fit-for-purpose blockchain technology application designed to help create

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

# eople Together on Occupational Safety & Health

PeTOSH is an initiative founded in 2014 (India) to largely cater to the needs of the mining industry on environment, health and safety (EHS), lean exploration technique and overall supply chain management by conducting research, raising awareness, building capacities and by bringing policy level changes through cooperation, partnership and learning exchange. We bring different people together to roll out a fresh approach to deal with EHS to complement Sustainable Development Goal (SDG) 3 - Good Health and Well-Being - primarily focusing on occupational safety and health aiming to reduce death and illness associated with different occupations.

PeTOSH has been recognized as an affiliated institute of the National Institute of Safety Training (NEBOSH Protocol), the National Institute of Occupational Health (NIOH), the Apparel Promotion Council and many more organizations. Over the years PeTOSH has had the privilege of advising various government institutes and various multinational brands across the globe and even assisted them in implementing the requisite labor and environmental standards as well as sustainable work practices across their supply chains from tea to textile, from mines to factories across various sectors.



Y-East is Eastern India's only aggregating platform for SDG-focused stakeholders in East and North-East Northeast India. Y-East currently aggregates 180+ professional organisations and has organised or supported

140+ programs/events since inception in 2019. Its main activities focus on 4 pillars: Networking; Education and Awareness; Projects and Campaigns; and Research and Impact Studies.



The RMI multistakeholder approach engages many organizations. We provide this glossary to enable readers to readily decipher their acronyms and understand the roles they play in supporting RMI.

AEPI	Association des Exportateurs de Pierres Industrielles
ASM	Artisanal and Small-Scale Mining
BASIC	Bureau for the Appraisal of Social Impacts for Citizen information
BJSAM	Bihar and Jharkhand – Sustainable Action for Mica
CEP	Community Empowerment Program
CESAM	Collective for Empowerment and Sustainable Action for Mica
cso	Civil Society Organization
ESG	Environment, Social, Governance
FOMM	Fédération des Opérateurs Miniers Malgaches
GBA	Global Battery Alliance
GMC	Global Mica Committee
IGF	Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development
ILO	International Labour Organization
JSMDC	Jharkhand State Mineral Development Cooperation
NGO	Non-Governmental Organization
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational, Health and Safety
RMI	Responsible Mica Initiative
WBCSD	World Business Council on Sustainable Development





www.responsible-mica-initiative.com