

Action-oriented Research Study on

“How downstream business can use their leverage and have a positive impact in their supply chain to work towards a living income for mica pickers in Jharkhand/India”



Local Impact Hub



**Terre des
Hommes**

Action-oriented Research Study on

**“How downstream business
can use their leverage and
have a positive impact
in their supply chain to work towards
a living income for mica pickers in
Jharkhand/India”**

**Taking concrete actions through a Living Income Engagement
Framework embedded in the six OECD Due Diligence Steps**

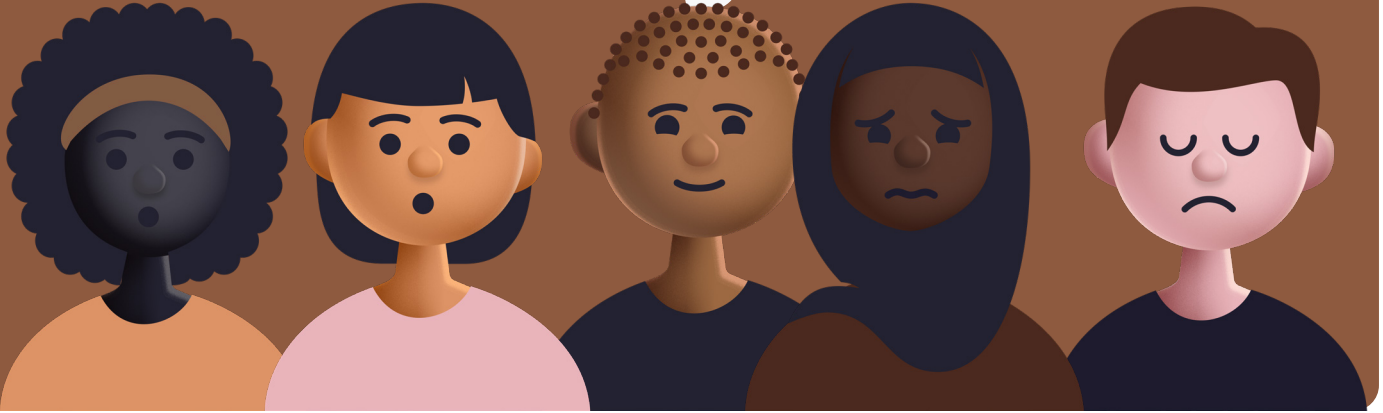
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List of Abbreviations

AIAG – Automotive Industry Action Group	NGOs – Non-Governmental Organisations
B-Corp – Benefit Corporation	OEMs – Original Equipment Manufacturers
CAHRAs – Conflict-Affected and High-Risk Areas	OECD – Organisation for Economic Co-operation and Development
CDP – Carbon Disclosure Project	OHSAS 18001 – Occupational Health and Safety Assessment Series
CMDF – Cooperative Marketing Development Fund	PMKKKY – Pradhan Mantri Khanij Kshetra Kalyan Yojana
COCs – Codes of Conduct	RKVY – Rashtriya Krishi Vikas Yojana
CSR – Corporate Sustainable Responsibility	RMAP – Responsible Minerals Assurance Process
DIPI – Demonstrating and Improving Poverty Impacts Project	RMI – Responsible Mica Initiative
EITI – Extractive Industries Transparency Initiative	RPPs – Research Practise Partnerships
EPRM – European Partnership for Responsible Minerals	RSPO – Roundtable on Sustainable Palm Oil
ESG – Environmental, Social, and Governance	RVO – Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland)
ESI – Employees' State Insurance	SA8000 – Social Accountability International's Living Wage Certification Scheme
ETI – Ethical Trading Initiative	SASB – Sustainability Accounting Standards Board
FLA – Fair Labour Association	SDG – Social Development Goal
FSC – Forest Stewardship Council	SEDEX – Supplier Ethical Data Exchange
GHG – Greenhouse Gas	SEWA – Self-Employed Women's Association
GLWC – Global Living Wage Coalition	SMEs – Small and Medium-sized Enterprises
GRI – Global Reporting Initiative	SMETA – Sedex Members Ethical Trade Audit
ICDPs – Integrated Cooperative Development Projects	TdH NL – Terre des Hommes Netherlands
(I)RBC – (International) Responsible Business Conduct	TCFD – Task Force on Climate-related Financial Disclosures
IRMA – Initiative for Responsible Mining Assurance	UN – United Nations
ISO 14001 – Environmental Management System Standard	UNGC – UN Global Compact
ISO 45001 – Occupational Health and Safety Management Systems Standard	
ISS – Institutional Shareholder Services	
JSMDC – Jharkhand State Mineral Development Corporation	
LkSG – German Act on Corporate Due Diligence Obligations in Supply Chains	
MKAY – Mukhyamantri Krishi Ashirwad Yojana	
MSCI – Morgan Stanley Capital International	
NAFED – National Agriculture Cooperative Marketing Federation of India	
NCDC – National Cooperative Development Corporation	

Executive Summary



Terre des Hommes Netherlands (TdH NL) has been actively working to combat child labour in the mica supply chain in India for nearly a decade. Since poverty is one of the root causes for child labour, a key challenge remains bridging the gap between real or current incomes and living incomes for mica pickers in Jharkhand and Bihar. This action-oriented research aims to develop a workable, economically viable, and scalable action plan for downstream companies where they can take concrete steps for working towards a living income for the mica workers.

The research study incorporates participatory research, leveraging insights from global and local initiatives, industry best practices, and in-depth interviews with key stakeholders; ranging from downstream companies to local Non-Governmental Organisations (NGOs) and mica collecting communities. The research outputs will support downstream companies in their due diligence efforts, facilitating improved supply chain responsibility and ethical labour practices. Main findings from the assessment of the income situation in India show how the illegal status of mica pickers, together with piece rate payments per day, create a situation where the risk of child labour and exploitation of children and adult workers is a reality. The mica pickers only receive on average 30% of the individual living income in Jharkhand for a day's work, which makes the

living income gap 70%¹ (new calculations of the living income to be expected in 2026). This gap proves the urgency to prioritise living income as one of the main risks in this supply chain.

The research study aims to showcase how to take (first) steps in solving one of the root causes of child labour - the living income gap - in the upstream node of the mica supply chain, through participatory research methods and cross-triangulation. To achieve this objective, the study, conducted in collaboration with the TdH NL and funded by Mercedes-Benz Germany, provides a pragmatic action-oriented living income framework for companies. This framework allows companies to integrate sustainable practices into their business operations by focusing on identifying best practices, stakeholder roles, challenges, and solutions to achieving a living income and thereby complying to the Due Diligence for responsible business conduct laid down by the OECD².

The project execution took six months, culminating in a final report and a dissemination workshop with key industry players such as the Responsible Mica Initiative (RMI) and part of their members. The main result of the action-oriented research is the [Living Income engagement framework for downstream companies](#).

¹ Fair Wage Network, & BASIC on behalf of RMI (March 2023). *Establishing fair mica worker incomes and wages in India and the negligible impact on costs to consumers*.

² https://www.oecd.org/content/dam/oecd/en/publications/reports/2018/02/oecd-due-diligence-guidance-for-responsible-business-conduct_c669bd57/15f5f4b3-en.pdf

1. Introduction

POVERTY AS ONE OF THE ROOT CAUSES FOR CHILD LABOUR

Terre des Hommes Netherlands (TdH NL), an international child rights organisation, has been working to eliminate child labour in the mica supply chain in India for nearly a decade (see Annex 1 for more information on their work and approach).

Child labour is defined by the International Labour Organization (ILO) as work that is harmful to a child's health, safety, or development, or that interferes with schooling³.

In 2017, TdH NL published a report⁴ that exposed the widespread exploitation of children in mica mining in India. For instance, the Indian region Jharkhand is one of the most disadvantaged geographic regions due to various socio-economic and political factors and regional disparities⁵. The informal nature of the mica supply chain is not only happening through

labour-intensive ways of digging and picking mica scraps but also exploitative, as the selling prices depend upon the whims and wishes of the informal Mica supply chain actors⁶. The very low volume of mica collection per family and sales at low prices continued to deteriorate the socio-economic conditions from which children have suffered the most⁷.

A key driver of child labour is **household poverty and income insecurity**. Families dependent on mica cannot meet their basic needs from adult earnings alone⁸. There is a gap between what mica-dependent families earn and what they need for a decent standard of living. This is called a **living income**. In this research study, the definition of living income of the Living Income Community of Practice is used that aligns with the Global Living Wage Coalition's definition of living wage:

"The net annual income required for a household in a particular place to afford a decent standard of living for all members of that household. Elements of a decent standard of living include: food, water, housing, education, healthcare, transportation, clothing, and other essential needs including provisions for unexpected events⁹."

3 International Labour Organization, [what is child labour?](#)

4 Terre des Hommes Netherlands, 2017, Beauty and the Beast <https://int.terredeshommes.nl/uploads/dae8a660-1590499248-terre-des-hommes-beauty-and-a-beast.pdf>

5 Terre des Hommes Netherlands, 2024, Research Study on Sustainable Access to Living Income for Mica Workers through Cooperatives in Mica Mining Areas of Jharkhand <https://int.terredeshommes.nl/uploads/be2a53a5-final-research-study-on-sustainable-access-to-living-income-for-mica-workers-through-cooperative-in-mica-mining-areas-of-jharkhand-5-1.pdf>

6 Terre des Hommes Netherlands, 2024, Research Study on Sustainable Access to Living Income for Mica Workers through Cooperatives in Mica Mining Areas of Jharkhand

7 Terre des Hommes Netherlands, 2024, Research Study on Sustainable Access to Living Income for Mica Workers through Cooperatives in Mica Mining Areas of Jharkhand

8 Based on experience of staff Local Impact Hub and Paradigm Shift

9 Global Living Wage Coalition, [Living Income](#)

A related term is **living wage**, which refers to formal, hired workers, whereas a living income refers to the income of informal or self-employed workers¹⁰. As many of the mica pickers are not formally but self-employed, this research study will focus on **the living income gap**.

The **mica sector** has inherent issues that contribute to child labour. Firstly, because of the **illegality and informality** of the sector, families have no contracts, proof of work, or access to social protection and health insurance¹¹. Secondly, mica pickers are typically paid per kilogram of mica collected. The **rates are extremely low**, often resulting in a low income. Despite this, mica remains one of the few consistent income sources in the region, making families dependent on mica¹². Thirdly, mica collection halts during the **monsoon season** due to mine collapses and flooding risks. Families then turn to small-scale agriculture or casual labour, but this is also too little earnings for a living income¹³. And lastly, the dependence on **intermediaries** weakens bargaining power, resulting in low and irregular payments¹⁴. Read more about the situational analysis of mica pickers in Jharkhand, India in Annex 2.

PRIVATE SECTOR ENGAGEMENT IS NEEDED FOR A LIVING INCOME

The mica from Jharkhand is used by various downstream industries such as the cosmetics, automotive, cables and electronics sector¹⁵. Still, 57% of the mica produced for members of the Responsible Mica Initiative (RMI) comes from Jharkhand and Bihar in India¹⁶. Therefore, the probability of downstream companies being linked to mica mining and processing in these regions with all human and labour risks, such as child labour, involved is high for companies sourcing their mica from there through their global supply chains. According to the OECD, at least the multinational enterprises have to take responsibility to cease, mitigate or prevent child labor and other human rights risks¹⁷.

There are various ways to tackle the issues with mica: companies buying and using mica in their supply chains and products could individually take measures to ensure a living income for mica pickers. To move beyond fragmented action, multi-stakeholder collaboration has become increasingly important. A prominent example in the mica sector is the **RMI**, bringing together downstream companies committed to improving mica supply chains¹⁸.

Despite global developments that put sustainability more on the agenda, such as the European Union's Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), not all companies are on the same speed towards responsible business conduct (RBC). One of the reasons can be that companies need a concrete action perspective on how they can tackle child labour and what exactly they can do. The research study outputs will support downstream companies in their due diligence efforts, facilitating improved supply chain responsibility and ethical labour practices¹⁹.

This report

This action-oriented research study was set up to develop a concrete step-by-step plan for downstream companies for working towards a living income for the mica workers. For companies primarily interested in the practical tool, we recommend jumping to **Chapter 3** with the living income engagement framework itself. For readers interested in the underlying approach and evidence, **Chapter 2** describes the qualitative research methods used to build the evidence base, **Chapter 4** presents the key findings that informed the framework and **Chapter 5** presents the main conclusions.

10 Align, [What are Living Wages and Living Income?](#)

11 Based on experience of staff Local Impact Hub and Paradigm Shift

12 Based on experience of staff of Paradigm Shift

13 Based on experience of staff Paradigm Shift

14 Paradigm Shift & TdH NL, 2025, [Illegal status and Employment conditions is Mica mining](#)

15 Paradigm Shift & TdH NL, 2025, [Illegal status and Employment conditions](#)

[is Mica mining](#)

16 Responsible Mica Initiative, [Supply Chain Mapping & Workplace Standards](#)

17 OECD, 2023, [Guidelines for Multinational Enterprises on Responsible Business Conduct](#)

18 Based on experience of staff Local Impact Hub

19 Based on experience of staff Local Impact Hub

2. Methodology

This research project followed an **action-oriented** research design with the aim to develop a practical tool for downstream companies to work towards a living income for mica workers in Jharkhand, India. To reach that goal, a **qualitative approach** was taken, with interviews and desk research to identify gaps and needs of companies and supported by risk assessments and income calculations to develop a framework. These methods will be explained in more detail below.

DESK RESEARCH

The desk research was set up to identify effective methods for reducing the living income gap. Special attention was paid to initiatives from India and in mica supply chains, but also more generally documents about international supply chains (e.g. the metal, garment and natural stone sector). Documents were found through the websites of the Responsible Mica Initiative (RMI) and associated companies, as well as Google searches focused on Corporate Social Responsibility (CSR) and due diligence examples in India specifically. These documents were analysed for key insights, challenges and good practices that could be used in a framework.

KEY STAKEHOLDERS' INTERVIEWS

In addition to the desk review, **interviews** were held to gain additional insights in best practices to achieve a living income. On a global level, seven interviews were held with companies sourcing mica from India, RMI and some of its members (from different sectors: processing, cosmetics, automotive, paint), members of Drive Sustainability (Drive Sustainability is an automotive partnership between 18 automotive manufacturers, facilitated by CSR Europe), and staff of TdH NL²⁰. The topic list can be found in Annex 3.

To understand the specific regional characteristics in Jharkhand and the experience of the upstream actors better, the research team consulted local workers, officials, intermediaries, and processor factory managers through interviews and focus group discussions. In addition, over 100 mica pickers and their spouses have been interviewed individually or in focus group discussions.

LIVING INCOME CALCULATION

In this report, the living income and living income gap for mica pickers in Jharkhand, India was calculated using the figures and data on the income of mica pickers from the Fair Wage Network report in 2023²¹:

- 1 In the state of Jharkhand, mica pickers and their families are earning an overall current income of ~3,800 - 5,600 INR/month. Individual mica pickers also earn far less (~2,800 - 4,200 INR/month) than the legal minimum wage for unskilled workers (~8,500 - 8,800 INR/month).
- 2 A living income for a typical mica picker family of two adults and three children in rural Jharkhand was estimated at 15,000 INR/month (~190 €/month).
- 3 Accounting for the revenues from mica-related activities only (mica collection halts during the monsoon season due to mine collapses and flooding risks. Families then turn to small-scale agriculture or casual labour, but this is also too little earnings for a living income²²) and taking the average of the current income (~4,700 INR/month), the gap in living income reaches 68.6% (rounded to 70%) for mica pickers in Jharkhand.
- 4 To achieve the target rural living income, the price paid to mica pickers would need to be increased four-fold, raising the average price of mica to 30 INR per kilogram (~0.51 €/kg) from 8 INR per kilogram (~0.11 €/kg) using 2022 data²³.

20 All companies are active on Responsible Business Conduct, but the prioritisation or focus is not on living income and wage in mica. Therefore, the best practices and lessons learned are mainly derived from desk research.

21 This report is based on research conducted on behalf of the RMI.

22 Based on experience of staff Paradigm Shift

23 Fair Wage Network, & BASIC on behalf of RMI (March 2023). *Establishing fair mica worker incomes and wages in India and the negligible impact on costs to consumers.*

Current income



3,800 - 5,600 INR/month
Mica pickers + Families

2,800 - 4,200 INR/month
Individual mica pickers

Minimum Wage

8,500 - 8,800 INR/month
Not even sufficient



72% Living Income Gap

Living Income

15,00 INR/month
(€ 190 per month) For a family
with 2 parents and 3 children



NEED TO



Price of Mica
4 times higher

From 8 INR/KG to 30 INR/Kg

Figure 1: The relationship between current income, minimum wage, living income and the price paid for mica to mica-picking families.

3. Company Engagement Framework

The goal of this research was to develop a practical tool that companies can use to ensure a living income for mica pickers in Jharkhand, India, which will eventually lead to the elimination of child labour in the sector. With the data collected through the methods described in Chapter 2, **a framework was developed following an iterative process:**

- 1 Integration of findings of the desk research, interviews and living income calculation and systematically comparing the data to each other;
- 2 Triangulation of findings, where evidence from at least two independent sources was required to validate assumptions or proposed steps;
- 3 The validated findings were aligned with the six steps of the OECD Due Diligence Guidance and adapted to the specific realities of the mica sector in Jharkhand, and;
- 4 Development of three levels of engagement (minimum, medium, maximum) depending on the size of a company (small-, medium-sized companies and multinational enterprises) to ensure usability of the framework even by smaller companies that don't fall in the scope of the OECD due diligence process.

The key findings from this research demonstrate the income insecurity at the heart of mica-dependent communities in Jharkhand, India. Companies have taken steps through memberships, audits, and policies, but these approaches have not closed the income gap or reduced the risks of child labour (please read chapter 4 for more information on the key findings). The proposed [Living Income Engagement Framework](#) responds to this need.

The framework provides companies with:

- A **clear step-by-step pathway** to address the living income gap in their mica supply chains, while strengthening responsible business conduct more broadly;
- **Practical tools and best practice examples** (for more, see Annex 3) that can be adapted to different company contexts;
- **Scenarios** for different levels of engagement, ensuring that small, medium, and large companies alike can take meaningful steps;

- Guidance on **how to measure progress** through living income gap analysis and monitoring indicators.

For communities, implementation of the framework supports increased and more stable household incomes, reduced reliance on child labour, and improved access to social protection, education and health care through cooperative-based systems.

HOW TO USE THIS FRAMEWORK

The framework is embedded within the **six steps of the OECD Due Diligence Guidance for Responsible Business Conduct**, a structure already familiar to many companies. The findings of the research led to the identification of 24 concrete and context-specific actions for downstream companies that are tied to each of the six steps.

Companies can select these actions most feasible and relevant to their size, leverage, and supply chain position. **Three scenarios** illustrate the different levels of ambition:

- 1 Maximum engagement (19-24 actions) for multinational enterprises with extensive resources and leverage;
- 2 Medium engagement (8-18 actions) for medium-sized companies, and;
- 3 Minimum engagement (6-7 actions) for small companies starting their due diligence process. This scenario has as a minimum of 6 actions to ensure that one action per due diligence step is taken and, thus, all six steps from the OECD due diligence process are covered. These actions are marked by a coloured frame in the [Living Income Engagement Framework](#).

The following paragraphs will explain each of the 24 actions linked to the six steps of the OECD Due Diligence Guidance, with, when possible, links to documents, tools or organisations to give workable examples that are related to that specific action.

The living Income Engagement Framework



Figure 2: The company engagement framework.

Remember: The actions with a coloured frame, being action no. 1.1, 1.3, 2.4, 3.4, 4.1, 5.1 and 6.1 belong to the minimum scenario for small-sized companies. Medium-sized companies and multinational enterprises should do more actions.

Step 1:

Embed Responsible Business Conduct

The key to start with due diligence and making the supply chain more sustainable is to embed responsible business conduct into policies and management systems. To adapt this first due diligence step to the topic of living income, we propose the following actions from the engagement framework:

1.1 DEVELOP A RESPONSIBLE BUSINESS CONDUCT POLICY

This policy should align with the general strategies of the company. Make sure to include *all relevant departments* in the process (sales, procurement, Human Resources (HR), Corporate Sustainable Responsibility (CSR)) and involve the Board of Directors for full agreement. A full example is given [here](#).

Example text Responsible Business Conduct on living income:

[Company name] expects their business partners to ensure that a living income is being paid within a reasonable period. A living income is 'an income that is sufficient to provide for the basic needs of a family of average size in a particular economy'. A living income is defined as sufficient income to afford a decent standard of living for all household members – including a nutritious diet, clean water, decent housing, education, health care and other essential needs, plus a little extra for emergencies and savings²⁴.

1.2 DEVELOP A TWO-WAY CODE OF CONDUCT

To have sustainable business, both parties (customer and supplier) should have *sustainable conduct* and take into consideration each other's needs. For example, including cultural beliefs and customs, festive days in the planning of orders and shipment, adjustment of prices based on raw materials price fluctuations, gender sensitive beliefs in behaviour, and others. To get to know the supplier's needs, it is recommended to *pursue regular dialogues with the supplier*. A full example is given [here](#), adjustable to your business; another best practice is Zeeman's Code of Conduct (see Annex 4).

Example clause for Living income/wage in a two-way Code of Conduct:

Payment of a living income and wage

- 1 Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income, known as living income (Anker & Anker method).
- 2 Deductions from wages for disciplinary measures shall not be permitted.
- 3 Employees shall be adequately and clearly informed about the specifications of their wages including wage rates, deductions and pay period.
- 4 Companies will pay according to their salary matrix per function and contract.
- 5 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

²⁴ https://www.fairtrade.net/napp-en/Fairtrade_NAPP/why-we-do-it/Decent-Livelihoods/living-income.html

1.3 SET UP RESPONSIBLE PURCHASING PRACTICES

The Ethical Trading Initiative²⁵ (ETI) and True Price²⁶ can assist in making the sourcing practices more efficient and sustainable (also decreasing unexpected costs). Key practices linked to living income are:

- Preferring suppliers that offer living income and safe working conditions;
- Including subcontractors, cooperatives or small-scale producers in the RBC practice;
- Avoiding products from companies known for unethical labour practices;
- Developing a sustainable procurement policy that includes living income criteria;
- Collaborating with suppliers to improve their sustainability practices;
- Incorporating sustainability KPIs into vendor evaluations and contracts.

1.4 SECTOR SPECIFIC MEMBERSHIPS AND CERTIFICATIONS

Another possibility is to include sector specific memberships in the company's RBC strategy and/or to choose for certified products or raw materials. Related to auditing, certification, complaints, or grievance mechanisms, joining a multi-stakeholder membership with peers and NGOs can make company knowledge and strategies more effective. Make sure the membership has local connections so that impactful interventions for the workers in the upstream supply chain take place, and costs will be spent on the ground instead of on administrative systems. This will enlarge coverage within the supply chain.

For mica from India and Madagascar, there is no reliable certification. If this changes somewhere in the future and a company chooses for a certification, make sure that living income is a criterion that is part of the certification scheme and audited by an independent third-party audit.

To make it more effective, include the sector specific membership and/or certification in suppliers' contracts as advice or even a must to join or to have. Annex 4 contains more details on the incorporation of living income in the audits and certifications.

Auditing examples:

SOCIAL AUDITS

(e.g., SMETA, Sedex, SA8000), ISO 45001 – Occupational health & safety, EITI (Extractive Industries Transparency Initiative), Environmental and safety inspections (e.g., ISO 14001, OHSAS 18001)

CERTIFICATION, COMPLAINTS, AND GRIEVANCE:

RMI (mica), IRMA (Initiative for Responsible Mining Assurance), Responsible Minerals Initiative



²⁵ <https://www.ethicaltrade.org>

²⁶ <https://www.trueprice.org>

1.5 EMBED RBC WITHIN THE MANAGEMENT FUNCTIONS

It is much easier to work towards a living income when the company's management is convinced that this is beneficial. To achieve this, it needs discussion internally, covering these internal steps:

- Set a RBC vision and mission aligned with business goals;
- Approve and oversee RBC strategies, policies, and KPIs;
- Appoint a Chief Sustainability Officer or similar role;
- Integrate sustainability and ethics into risk assessments and decision-making;
- Allocate dedicated budgets for RBC programmes (e.g., community, workers, environment);
- Include Environmental, Social, and Governance (ESG) criteria in investment decisions and capital expenditures;
- Report non-financial metrics (carbon footprint, social impact) in annual reports;
- Conduct cost-benefit analyses of RBC initiatives (including long-term social Risks, Opportunities and Impacts (ROI)).

1.6 PROVIDE RBC TRAINING TO ALL STAFF

To make sure that all relevant departments of the company support the concept of living income and implement it in the company operations and business practices, all (relevant) staff has to be trained on RBC in general and living income in particular. The best thing to do is to tailor the training to the target group covering these topics: OECD Due Diligence, human and labour rights, social and environmental sustainability, anti-corruption and whistle blowing, the supply chain of the company (tiers, countries, stakeholders), The two-way company code of conduct, used third-party audits and certifications can help to ensure compliance, eco-friendly or socially responsible practices per department.

1.7 TRAIN SALES & PROCUREMENT TEAMS ON LIVING INCOME

Since these teams often have a focus on quality and price, it is important to train the sales and procurement teams on living income and how to incorporate this in their daily business. The following topics are useful for a training:

- **Understand supplier risks:** Show how the fact that workers are underpaid can lead to inferior quality, less turnover, and reputational damage;
- **Engage suppliers:** Train on how to start conversations about living income improvements and ethical sourcing;
- **Living income costing:** Teach how to assess supplier costs and factor in fair pricing for living income and wages;
- **Value proposition:** Teach how to assess the social value of living income-compliant products.
- **Handling objections:** Help them respond to price-related pushbacks by emphasising quality, ethics, and customer trust.

The International Responsible Business Conduct Agreements in the Netherlands (sectoral multistakeholder agreement between companies, government, trade unions, and NGOs) and the Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland - RVO) assist companies in these trainings with webinars and training materials (see Annex 4 for more details).



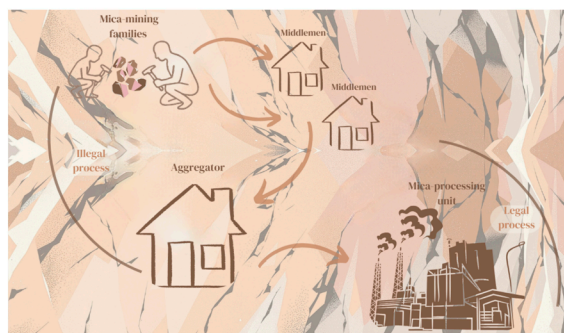
Parents working in mica-mining and mica-picking in Jharkhand, India.

Step 2: Identify and assess adverse impacts

To make the mica supply chain more sustainable, a company needs to know the risks and impacts in this supply chain and how this is linked to its business practices. This applies mainly to the risks the company is responsible for through direct involvement (tier 1), but also for the very upstream part of the supply chain.

This process can be lengthy due to the complexity of the mica supply chain, but identifying the different tiers in this supply chain, and their adverse social and environmental impacts, is the first step. These are the logical steps that can be followed to assess adverse impacts:

The mica supply chain: illegality upstream and main users downstream



Tier 1 – Exporters/Manufacturers

- Export mica flakes or powder.
- Sell to cosmetics, electronics, automotive, or paint industries.

Tier 2 – Aggregators/Processors

- Sort, clean, grade mica.
- Prepare for domestic or international buyers.
- May include medium-sized processors with formal business structures and employees.

Tier 3 – Local Traders/Agents/Middlemen

- Buy directly from mica pickers/mica collectors.
- Often operate informally and pay very low prices.

Tier 4/5- Extraction – Often Informal

- Small-scale miners or informal workers (many are women and children).
- Family-based pickers and collectors.
- Community land-owners (sometimes illegal mining on forest or public land).

Figure 3: Main uses of mica from Beauty and a Beast report (2016)

2.1 MAP MICA SUPPLY CHAINS & ACTORS

Map the supply chain (tier by tier) until the most upstream actors. The last tier(s) is/are the most difficult, but if the sourcing location/region is known the assessment of the human rights and labour risks and impacts can start based on this location. Figure 3 (p.15) shows the different groups of private sector actors in the mica supply chain.

2.2 CONDUCT LIVING INCOME GAP ANALYSIS

When setting up an own analysis, make sure to take into consideration the *income* of **self-employed informal mica miners or collectors** (and not the wage of waged or hired workers working in mica sorting, processing units, transport, etc.) that often work independently or in family units, and calculate the *living income* gap (based on the household income of all the members). Make sure the analysis includes all costs (food, housing, healthcare, education, transportation, modest savings, festivity costs) plus some money for mica mining and processing tools, and use the Anker method²⁷ for comparable calculations. Visualise with a **gap bar chart or income ladder** to show how far households are from the target income (based on the living income benchmarks).

The analysis can be done by local NGOs, or through a check at the website of the RMI or the Global Living Wage Coalition (www.globallivingwage.org/). The RMI has done a living income benchmark in 2023²⁸ that companies sourcing mica from Jharkhand, India, can use.

2.3 MAP PAYMENT SYSTEMS FOR MICA PICKERS

Together with the supplier (or through independent research) map the payment systems which are in place, even the informal systems without contracts. With this mapping, adverse impacts and risks linked to payment, payment methods and pricing of the mica become visible. The following questions are leading:

- Who pays whom?
- How is payment calculated? (per kg, per day, per load)
- What is the payment frequency? (daily, weekly, after sale)
- What method is used? (cash, mobile money, bank transfer)
- Are there deductions, fees, or pre-financing costs?
- Is payment documented or informal?

²⁷ <https://www.ankerresearchinstitute.org/anker-methodology>

²⁸ Fair Wage Network, & BASIC on behalf of RMI (March 2023). *Establishing fair mica worker incomes and wages in India and the negligible impact on costs to consumers.*

2.4 ASSESS WORKER RISKS AND PAYMENT STRUCTURES

After mapping the payment systems, it is vital to check if they are executed in a fair matter and/ or if there are any red flags of possible risks and adverse impacts for the workers. Use surveys, focus groups or interviews to get the details, through these questions:

- Are cash-only systems used with no receipts?
- Are intermediaries controlling the payments, prices, and scales?
- Are workers underpaid or misinformed about pay rates and actual pricing of mica?
- Are children working with no personal earnings?
- Are there irregular or delayed payments tied to mica selling?
- Are informal loans with (high) interest rates on payment in return used, or debt bondage (if a worker cannot pay back the loan and is not free to choose other middlemen to sell to)?
- Is the worker in control of how and when they receive payment?
- Do they face wage theft, deductions, or abuse?
- Are payments linked to performance, piecework, or weight?

When assessing workers' risks, make sure the methods and questions are designed in a gender sensitive way, translated in the common local languages and executed by a neutral, independent party (to create trust). In order to work with larger groups and for monitoring and collecting of data for long term commitment, consider using the Worker voice app of Ulula²⁹, which gives details and insights on community level or workers level on all kinds of topics.

The tools of the Fair Wage Network³⁰ and similar tools implemented by multiple companies, like Fairphone, Adidas, Puma, Fair Wear Foundation members, can be found in Annex 4, for more information and details.

²⁹ <https://ulula.com/technology/owl-app>

³⁰ <https://fair-wage.com/services/#assessment>

Step 3:

Cease, prevent or mitigate adverse impact

This crucial step can ensure that a negative impact is less likely to occur in the future. It is a vital and costly step in the process to ensure a more sustainable supply chain. If it is done adequately it can save the costs for (reputational) damage and mitigation costs of redressal (step 6 of the due diligence process).

3.1 TRAINING OF WORKERS, TRADERS AND PROCESSORS ON LIVING INCOME AND WORKERS' RIGHTS

To cease, mitigate and prevent negative impacts all actors in the mica supply chain need to be involved on the same level of knowledge about international workers rights, standards and rules of the International Labour Organisation (ILO), especially on living income³¹. The training should be tailored to the specific needs and understanding of the local suppliers and local workers, using appropriate methods to reach all participants - including those who are illiterate.

Due to the specific context, language barriers, training upstream actors goes best through a local independent trade union or NGO who is knowledgeable about workers' rights. The training would cover the following themes:

- 1 Understanding Living Income & Living Wage
- 2 Workers' Rights Basics
- 3 Pricing Systems and Wage Payment Systems
- 4 Income Transparency and Record Keeping
- 5 Supply Chain Awareness
- 6 Complaints and Grievance Mechanisms
- 7 Gender Equity in Labour and Income
- 8 Social Protection and Legal Support
- 9 Worker Advocacy and Collective Action
- 10 Practical Role Plays and Tools

3.2 IMPROVE PRICING AND PAYMENT SYSTEMS AT MIDDLEMEN AND PROCESSOR LEVEL

The middlemen pay the mica pickers/workers for the mica they have collected or mined. To

improve the income for mica pickers, a *pricing system* can be introduced:

- Set a day pricing system which is transparent and available for mica pickers;
- Recommend digital payment pilots (mobile wallets, bank transfers) for informal workers;
- Collaborate with the mica-processing units for fair pricing;
- Partner with TdH NL to set up and pilot mica cooperatives;
- Ask RMI to integrate fair pricing into the third-party audits of mica processors.

3.3 INCLUDE LIVING INCOME IN SUPPLIERS' CONTRACTS

To work towards a living income for mica workers at the upstream node of the mica supply chain and get the commitment of other tiers in the supply chain, it is recommended to include living income in suppliers' contracts. View a full example of such a clause [here](#). In Annex 4 there are multiple examples of companies who have such supplier contracts with clauses on living income/ wage, like Merck, L'Oreal, and Unilever have in different sectors.

3.4 PROVIDE LIVING INCOME COMMUNITY SUPPORT

To support all workers (including undocumented, illegal, or informal labourers) in achieving a living income, community-based support is vital. This can be delivered in the form of programmes with meaningful interventions addressing poverty as one of the root causes of child labour. Since child labour and poverty are complex issues to solve, these programmes should support workers, children, families and communities by engaging different stakeholders like teachers, the government and the private sector. Companies that don't know how or are not able to set up community-based programmes by themselves, can collaborate with NGOs that are present on the ground or engage through a membership with RMI.

³¹ Living wages | International Labour Organization

Step 4:

Track Implementation and Results

It is important to know whether the actions taken under step 3 lead to an improvement of the risks identified in step 2. A good system of key performance indicators (KPIs) and a continuous monitoring of these KPIs are key to decide if a chosen approach and measures are proven to be effective. If so, this approach and these measures can be continued; if not or only partly, it is better to adapt or choose other approaches and/or measures.

4.1 DEVELOP AND MONITOR KEY PERFORMANCE INDICATORS (KPIs)

To ensure that target workers and mica-dependent families achieve a living income, it is important to develop relevant KPIs and objectives to measure and monitor impacts. A comprehensive list of KPIs for living income monitoring, grouped by category is provided in this [link](#).

4.2 CONDUCT REGULAR INCOME AUDITS

Through annually auditing incomes of mica pickers, the traceability of payments and the living income gaps can be monitored. Audits and assessments should be conducted by an independent third-party auditor which uses participatory methods and includes all actors (also informal and vulnerable groups) in the auditing to guarantee that the information gathered is correct. The following elements should be investigated in a thorough living income and wage audit:

- 1 Collect income and selling prices as well as working hour details on self-employed informal workers.
- 2 Verify payments with informal mica pickers interviews (confidential).
- 3 Analyse payment levels, penalties, deductions for self-employed informal workers.
- 4 Ensure data integrity and regular updates from actors.
- 5 Integrate traceability with living income compliance data.
- 6 Identify gaps, non-compliances, or inconsistencies against benchmarks.

- 7 Report traceability outcomes and gaps to stakeholders.
- 8 Engage suppliers in corrective action plans.

4.3 JOINT PILOT ON PAYMENT AND TRACEABILITY IN MICA SUPPLY CHAINS

A short-term solution - as long as the mica cooperatives are in a pilot phase - to bridge the current living income gap is by paying a premium to mica pickers (see chapter 4). A first step is to engage with a NGO that has a local partner on the ground. Secondly, through the method of blockchain, data on payment for mica can be digitalised so that it is possible to add a living income premium for every kg of mica collected. The payment will go directly to the bank account of the mica picker (if there is a digital bank account).

To make the payment of the premium possible, a company can take the following steps (see also an example from another sector is the Dutch spices company Verstegen that has used blockchain to pay a fair income for nutmeg farmers³²):

- A company can utilise a blockchain platform to collect and share data from various points in the supply chain, enabling comprehensive mapping and verification of all members committed to responsible workplace practices;
- By sharing a common database between companies, transparency is promoted across mica supply chains, facilitating more efficient risk identification and easier reporting processes. Deployment of this traceability platform allows to closely monitor the sustainability performance of all actors involved in the mica supply chain and pay a living income;
- A company being member of RMI can support and participate in the multi-stakeholder pilot project RMI and the blockchain company Tilkal³³ launched aimed at enhancing traceability across mica supply chains on living wage. And ask RMI to the scope of this RMI project to the mica pickers level and living income.

32 Fair food starts with a transparent chain - Verstegen Algemeen NL

33 Tilkal - Supply Chain Transparency Unlocked

Step 5:

Communicate how impacts are addressed

The function of external communications about a company's due diligence process is to demonstrate the company's responsibility and accountability in addressing adverse impacts. The information provided by the company should be easily accessible so that not only its stakeholders, but also the rightsholders can learn which measures the company takes and has taken to cease, mitigate and prevent potential harmful risks and violations in their supply chains.

5.1 PUBLISH REPORTS ON LIVING INCOME PROGRESS

Companies should provide an integrated, broader, and more comprehensive sustainability disclosure in annual (sustainability) reports. In these reports, a company should also describe the topic of living income. The reports must be made accessible for the public which can be done through the company's website.

There are several types of reports fit for purpose or linked to specific reporting and disclosure frameworks: Most common is the sustainability report or Corporate Social Responsibility (CSR) report, or the Environment Social Governance (ESG) report. Specific common reporting frameworks are Global Reporting Initiative (GRI) reporting, United Nations (UN) Global Compact (UNGC) or B-Corp (Benefit Corporation). More distinctions between these reporting frameworks can be found [here](#).

While Step 5 is mainly meant to publish information on the due diligence process done so far, it can be useful to broaden this scope to other forms of communications and stakeholders, like lobby and advocacy towards the government of Jharkhand (5.2) and to showcase the progress made by the company as a best practice to other companies to motivate them to take similar steps (5.3).

5.2 LOBBY TOWARDS THE GOVERNMENT FOR LEGALISATION OF MICA PICKING

Setting up a lobby towards the government of Jharkhand for the legalisation of mica picking in Jharkhand requires a strategic and well-organised approach of all players in the field. A coalition of companies and their European suppliers can form a coalition, maybe under the umbrella and with the coordination of the RMI. This coalition can jointly develop an advocacy plan to lobby the government. This structured approach which can be found [here](#), will help to create a comprehensive and persuasive lobbying campaign for the legalisation of mica picking in Jharkhand.

5.3 PROMOTE ETHICAL MICA TRADING

The more companies engage in working towards a living income for mica pickers, the more leverage is created leading to a faster process of achieving this living income. By promoting ethical mica trading, a company can convince its suppliers, other companies from the same sector or companies from other mica-using sectors to follow its best practice. The mica supply chain will become more transparent, sustainable, and will benefit all stakeholders, including miners, communities, and businesses. Ethical mica trading can ensure living incomes, transparent supply chains, and responsible environmental practices. Especially if this is embedded in an ethical trading and/or supplier policy.

Here are several ways to encourage and promote [ethical mica trading](#).

Step 6:

Provide for or Cooperate in Remediation

The last but even important step is to provide for or cooperate in remediation. Rightsholders have the right to have access to remedy for the harm and adverse impacts they suffered from the human rights violations in the global supply chain. Access to remedy does not need to be necessarily a financial compensation; it can also be a contribution to, e.g., to cleaning the environment which has been polluted by mining activities. The best way to find out what remedy corresponds best with the needs of the community affected is to listen to the voices of the rightsholders. Trade unions, NGOs or human rights defenders can organise such dialogue.

6.1 COLLABORATE WITH INDUSTRY FOR SYSTEMIC SOLUTIONS

Systemic issues require collective solutions – no single actor can address all root causes alone. Therefore, collaborations in the industry makes the risk of recurrence less high and enables a collective remediation of affected workers and children. The following steps are necessary and vital to offer systemic solutions:

- **Lobby the (local) governments to enforce regulations** – Enable legalisation, formalisation, and law enforcement for mica pickers' living income. This can be done through the membership of a multi-stakeholder initiative (RMI), together with the upstream suppliers or the NGOs and/or trade unions working on the ground (see also step 5.2 about the lobby towards governments);
- **Increase the supply of responsibly produced mica** – several companies together can give “basket funding” (individual funding from companies is jointly used for a project) to engage in community support to cease, mitigate and prevent adverse impacts (see step 3) and prevent remediation. With existing adverse impacts, this basket fund can be used to provide for remediation;

- **Collaborate with (local) NGOs** – NGOs understand the ground reality – they represent communities, deliver services, set up effective programmes and projects, and ensure rights for affected stakeholders;
- **Build trust and share accountability between companies and initiatives** – Ensure joint inclusive, transparent action plans to tackle the living income gap in the supply chain. Include due diligence step 6 – a community-led grievance mechanism and an appropriate access to remediation – in these actions plans;
- **Combine resources and expertise within companies and in initiatives** – Strengthen and align financial, legal, and social capacities within collective due diligence systems that ensure consistency and cooperation across companies and supply chains (for instance by using Tilkal or Ullula);
- **Enable sustainable impact** – Even given the fact that a living income for mica pickers in Jharkhand/India can only be achieved in the long-term, companies should support and pursue lasting systems and institutional change (like cooperatives, see Annex 5) through collaboration between companies in the mica supply chain, especially with their suppliers.

6.2 ESTABLISH COLLECTIVE CHANNELS FOR MONITORING, COMPLAINT & GRIEVANCE MECHANISMS

Establish monitoring, complaint and grievance systems that work effectively at the local level (for instance toll-free hotlines, mobile apps (e.g., Ulula, Labourlink), on-site complaint boxes, WhatsApp/text message numbers, in-person local contact points (via NGOs or cooperatives)) to detect issues and provide reliable anonymous channels that workers can use to safely report work-related issues as well as individual level grievances in their own language.

Communicate about the reporting channels in a way that workers are informed about the existence of these channels and how to use them, for instance through radio commercials, posters, and leaflets with visuals (for illiterate stakeholders). This can be done with the support of local NGOs and/or trade unions.

Define a transparent response system with clear processes for receiving and logging reports, investigating claims, and providing feedback and resolution timelines. An example for living wage is the Fair Wear Foundation that has a complaint and grievance system³⁴ for its members, through a hotline, and another example for living income is the TruStone IRBC agreement in the Netherlands that has a complaint system³⁵ for their members.

6.3 PROVIDE EMERGENCY INCOME SUPPORT SYSTEMS & FINANCIAL REMEDIATION

In order to provide for financial remediation, set up an emergency income support system in the form of a fund for the living income gap. Affected rights holders can be paid the income they did not receive previously from this fund, as an emergency support. Integrate the management of the emergency support system in a local mica community cooperative, to ensure the access for local victims and impacted rights holders (see chapter 4). The village cooperative can take the responsibility to identify the mica pickers and families eligible to this support, and to control the payments. TdH NL is currently piloting with village cooperatives in Jharkhand, therefore it is essential to take into consideration the knowledge of TdH NL, if a company wants to set up such a system of severance pay through a cooperative (see also Annex 5).



The District Child Protection Officer (DCPO) trains the children about safeguarding their rights in the schools, such as the role of the education department in their school education and the role of child protection structures in the villages.

34 <https://api.fairwear.org/wp-content/uploads/2020/09/Fair-Wear-Complaints-procedure-V2.0.pdf>

35 [Complaints and Disputes TruStone Initiative | SER](#)

4. How we Informed our Framework

This chapter will discuss the key findings of the research that underpinned the Engagement Framework in Chapter 3 to better understand the need for the suggested actions. The chapter is divided into the situation under which mica-picking workers (upstream) operate and findings regarding companies (downstream), as well as provided suggested solutions for both.

4.1 UPSTREAM SITUATION - ILLEGAL MICA MINING ACTIVITIES AND SOLUTIONS

The **mica sector** has inherent issues that contribute to child labour. Firstly, because of the **illegality and informality** of the sector, families have no contracts, proof of work, or access to social protection and health insurance³⁶. Until 1980, Mica mining was a lucrative livelihood, providing employment opportunities to villagers with limited resources despite environmental degradation from unregulated mechanised activities. However, mica mining faced a formal ban in the early 1980s with the enactment of

the Forest Conservation Act (1980). Due to lacking alternative livelihood options, especially for those at the upper nodes of the Mica supply chain, the communities persisted in hand-tool mining and preliminary processing to meet basic survival needs³⁷.

Secondly, mica pickers are typically paid per kilogram of mica collected. The **rates for a kilogram of mica are extremely low**, often resulting in a low income (see chapter 2). Despite this, mica remains one of the few consistent income sources in the region, making families dependent on mica³⁸. Thirdly, mica collection halts during the **monsoon season** due to mine collapses and flooding risks. Families then turn to small-scale agriculture or casual labour, but this is also too little earnings for a living income³⁹. And lastly, the dependence on **intermediaries** (“middlemen”) weakens bargaining power, resulting in low and irregular payments⁴⁰. Read more about the situational analysis of mica pickers in Jharkhand, India in Annex 2.

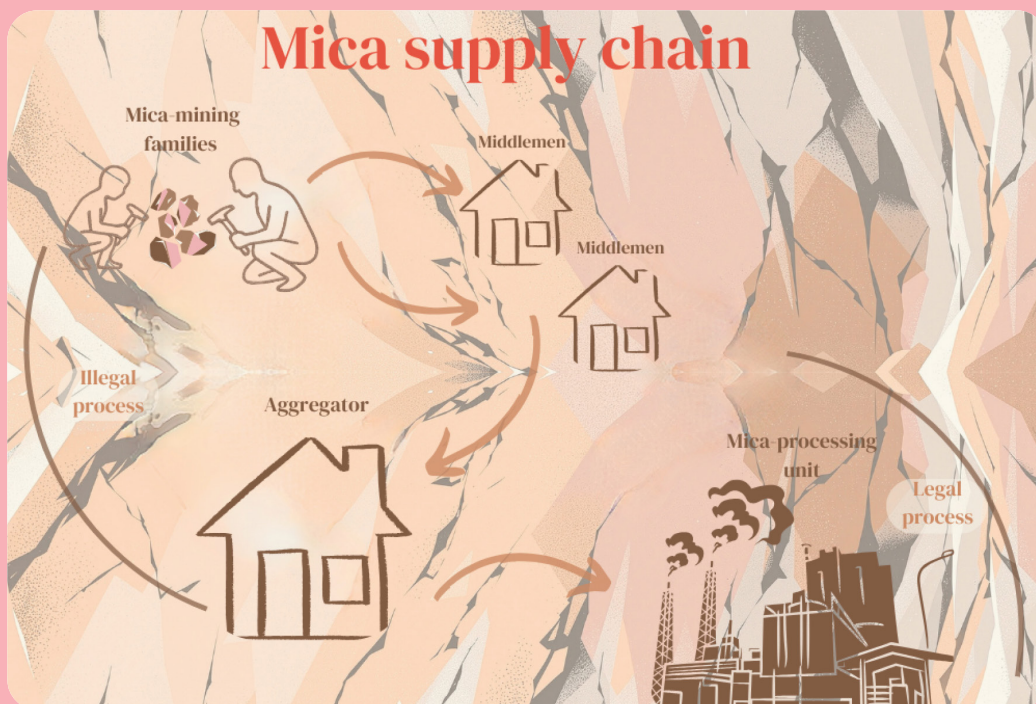


Figure 4: The upstream mica supply chain

36 Based on experience of staff Local Impact Hub and Paradigm Shift

37 The Beauty and the Beast, Child Labour in India for Sparkling Cars and Cosmetics. SOMO/Terre des Hommes Netherlands, March 2016.

38 Based on experience of staff of Paradigm Shift

39 Based on experience of staff Paradigm Shift

40 Paradigm Shift & TdH NL, 2025, [Illegal status and Employment conditions in Mica mining](#)

Solutions

The ideal situation would be that the **upstream mica supply chain is legal and transparent, with fair prices for the mica paid to the mica-picking families and to the private sector actors in the entire supply chain.** Since mica-picking in Jharkhand, however, is illegal, it is not possible at the moment to increase the income through the prices the intermediaries and processors pay. The intransparency of the upstream part of the supply chain due to illegality makes it impossible to trace if higher prices, if paid, will be also paid to mica-pickers which are the weakest part of the supply chain.

Formalising the Artisanal and Small-scale Mining (ASM) for Mica picking in Jharkhand is essential to ensure improved access to living income through multi-purpose cooperatives where Mica workers can sell their mica to, equipping them with occupational safety and health practices, promoting sustainable mining practices, and enhancing the overall productivity and profitability and sustainability of the sector.⁴¹ Cooperatives are part of the “Dhibra” (scrap mica) Policy - a policy that legalises the upstream part of the mica supply chain but which has not been implemented yet by the State of Jharkhand (Annex 2 gives more insights in the situational illegality).

Since the best option to increase the income is through **village cooperatives**, this has been incorporated as a specific action in the living income engagement framework. As far as the set-up of cooperatives for all mica-dependent communities has, however, not been achieved, this is more a longer-term solution. But it is possible to work towards living incomes for mica pickers already now with short and medium term solutions. It is important to use these solutions to tackle one of the root causes of child labour - poverty - and allow families earning a living income so that they can send their children to school instead of to the mines.

In the following paragraphs, the short-, medium- and long-term solutions to contribute to a living income are described:

A. SHORT-TERM: PAYING A PREMIUM.

As long as the mica cooperatives are in a pilot phase and have not been established for all mica-dependent communities, a short-term solution to bridge the current living income gap is by paying a premium to mica pickers.

B. MEDIUM-TERM: LIVING INCOME PAID BY MICA COOPERATIVES.

Mica cooperatives play a crucial role in paying a fair price to mica pickers who sell their mica to the cooperatives. These cooperatives set up a fund (based on the additional living income payments by downstream tiers) from which payments to a household can be made until they are able to pay a fair price to mica-picking families.

C. LONG-TERM: INTEGRATION OF LIVING INCOME IN THE ENTIRE SUPPLY CHAIN. A living income for mica-picking families is paid due to fair prices for (processed) mica paid through the entire supply chain.

AD A. SHORT-TERM: A PREMIUM FOR MICA-PICKING FAMILIES

Since the mica supply chain is, however, not transparent and in the very upstream part even illegal, it is difficult to ensure that a premium paid by downstream companies reaches the mica-picking families in India. The best way to solve this is to engage with a local NGO that works in Jharkhand with the mica communities. The local NGO can set up a fund where the premium is paid to and distribute it to the mica families. In order to facilitate the process, companies can reach out to European-based NGOs that partner with these local NGOs. This is simultaneously a guarantee that the money will be received by the rights holders since NGOs have long-established

⁴¹ Research Study on Sustainable Access to Living Income for Mica Workers through Cooperatives in Mica Mining Areas in Jharkhand. (An effort towards elimination of WFCL through systemic change). Children of India Foundation, Terre des Hommes Netherlands, March 2024.

relationships with their partners and strong monitoring mechanisms for the activities they undertake.

AD B. MEDIUM-TERM: LIVING INCOME PAID BY MICA COOPERATIVES

One of the promising implementing strategies is the set up of community cooperatives where mica-dependent families can sell their mica to. Cooperatives are part of the “Dhibra” policy which the Jharkhand government developed to formalise the illegal mica mining activities (see Annex 2 for the Dhibra Policy). With the concept of cooperatives, mica families no longer sell individually their mica to middlemen, but sell it to cooperatives that directly sell it to the mica-processing units. Since the cooperatives will be owned by the government, they can set the prices at a level that corresponds to a living income for mica pickers (see Annex 5).

The role mica cooperatives can play to achieve a living income, can be divided into two phases:

Phase 1. As long as the illegal nature of the mica-picking work will continue, the only way to pay living income for these pickers is through additional payments to close the gap. A (cooperative) **support system fund**, paid by downstream companies can provide the payment of the living income ratio for these workers. The payment is based on the imported mica amounts by each company. The payment is based on the imported mica amounts. Payments to mica pickers can be made either through digital cash transfers or by offering micro-grants to support alternative livelihoods such as soap making, livestock rearing, or crafts.

To ensure transparency and local ownership, community cooperatives should be established independently, with the support of trusted NGOs that have a strong presence and experience in the region. These NGOs can help set up and guide the cooperatives to

ensure they operate effectively and in the best interest of the mica-picking communities (see Annex 5 for more details on Indian cooperative systems).

Phase 2. As soon as the mica cooperatives are recognised by the government and the upstream private sector, and the communities are trained in the functioning and operating of these cooperatives, these cooperatives can start to pay **a fair price to mica pickers representing a living income** for them.

Downstream companies can take various actions to promote and support the setting up of cooperatives. They can collaborate with (local) NGOs to set up cooperatives, they can ask their suppliers to only source from mica-processing units or mica-exporting companies that buy their mica from cooperatives, and they can ask RMI (if they are a member of this initiative) to integrate in the audits of mica-processing units the requirement to buy their mica from cooperatives. All this helps to work towards a living income for mica-picking families.

AD C. LONG-TERM SOLUTION: INTEGRATION OF LIVING INCOME IN THE ENTIRE SUPPLY CHAIN

At the end, when all supply chain actors of the mica supply chain are committed to a living income and mica cooperatives in Jharkhand have been set up, mica-picking families get a fair price for the mica mined and sold to the cooperatives which allows them to earn a living income. Mica processing units pay this fair price to the cooperatives and sell the processed mica to their customer at a price that reflects this fair pricing, etc. The increase in prices for processors would be set at 10% price increase per kg of mica (according to the expert interviews with processors⁴²).

Paying a fair but higher price for mica – a price that would support families living in rural and urban areas – and include the costs of market formalisation and implementation of responsible workplace practices, would almost always **have an impact of less than a 0.1% increase**⁴³ in the cost of common end-products that use mica such as cosmetics, paints, and automotive coatings and parts, including batteries for traditional and electric vehicles, among others. Thus, the economic effects involved in a higher price for mica are so low that they are neglectible.

⁴² Based on internal conversations and experience of Paradigm Shift, 2025

⁴³ [Establishing Fair Mica Worker Incomes and Wages in India and the Negligible Impact on Costs to Consumers: Fair Wage Network and BASIC Reports: 2023](#)

4.2 DOWNSTREAM FINDINGS - LOW QUANTITY OF MICA AND FOCUS ON COLLECTIVE ACTION AND AUDITING AS CHALLENGES

The following paragraphs describe two main themes that came out of the interviews with RMI and associated companies, namely (i) that due to the low quantity in their products companies did not prioritise mica in their due diligence, and (ii) that companies usually focus on joining a multi-stakeholder initiative or rely on auditing, which is not enough to ensure a living income for mica pickers.

Low quantity of mica in products decreases prioritisation

A first prominent finding is the challenge that the **percentual amount of mica** (e.g. powder, particles) in the finished products of many downstream companies **is often small**. This makes the leverage of companies low and their focus on mica often less prominent than resources and ingredients with higher volume. However, the OECD stipulates to “prioritise the most significant RBC risks and impacts for action, based on severity and likelihood⁴⁴”. **The human rights risks** associated with mica (e.g. extreme poverty, child labour and hazardous work) are so **severe and salient** that companies must prioritise it.

From the perspective of the Directive on Corporate Sustainability Reporting (CSRD), however, a company is free to choose what risks are prioritised, as long as they explain their choice. As a result, a company might opt for a **quick fix**, leaving critical topics such as child labour and living income unaddressed.

Some downstream companies choose to **source mica only from regions where mica mines are legal**. This does not solve the problem of living income and child labour. Since these regions do not have enough mica and the quality of mica seems lower than that of Jharkhand, it seems that mica from Jharkhand is brought to other Indian states to fulfill the demand. If this is correct, mica-families in Jharkhand still provide for the mica exported and still do not get a living income for their work. Even worse: due diligence efforts taken by downstream companies will overlook these families since the assumption is that the mica is not produced in Jharkhand but in another state.

Current preferred initiatives (auditing, memberships) are not sufficient and should be combined with individual actions

The interviews and desk review showed that companies which do prioritise human rights risks related to the mica supply chain like decreasing child labour and paying a living income, often fulfill their commitment only through a **membership of the Responsible Mica Initiative or third-party auditing**.

However, these initiatives are at the moment not sufficient to contribute to a living income and could be used as a **“tick-the-box”** to comply with sustainability standards. On the one hand because living income is often not part of the audits. On the other hand, third-party audits should be conducted by an independent party taking into account the voices of the rights holders to give valuable data on the income which is not the case in the mica supply chain since this is the illegal part of this supply chain. Momentarily, RMI members demand a living wage for hired workers up to the mica-processor level in their code of conduct for suppliers, but most of them are not creating the enabling environment or pricing mechanisms to actually set up the living income for self-employed informal mica-pickers. Furthermore, RMI demands to include the rules of governance for members up to the processors level, leaving mica pickers out of the sphere of impact.

Collective action is vital to tackle large-scale sustainability issues, but should be **combined with individual steps of companies**. Demonstrating commitment through concrete, individual actions is essential. Without this, participation in collective action may risk being perceived as symbolic rather than impactful.

44 OECD Due Diligence Guidance for Responsible Business Conduct, 2018.

Recommendations

INCORPORATION IN THE BUSINESS (SUSTAINABILITY) STRATEGY

In the business (sustainability) strategy there should be a clear commitment to the due diligence for RBC as laid out by the OECD, meaning (a) **prioritising of mica and all human rights risks** involved as well as (b) being willing to **take actions as a company itself** to do something about it next to a membership in a multi-stakeholder initiative and relying on audits.

This could also mean that the company decides to **favour sustainability over price**. A company should stop decreasing prices paid to their suppliers each year, but instead discuss the actual costs of a product of raw material. A company should be aware that, by demanding a lower price from the supplier, they are responsible for higher risks and impacts in the upstream supply chain, since the supplier will try to keep the business by putting pressure on his supplier and so on. Therefore, the involvement of the procurement department is important to make sure that sustainability is, next to quality and prices, a key element of the company's purchasing practices.

What can help to lower the costs is **decreasing in the length of the supply chain**. That means that a company should try to exclude the intermediaries and traders that try to make their own profits, and should try to exclude tiers where the transparency is lost (for instance from China).

In the case of mica and the current situation of the illegal upstream part, this is difficult. But a company should anyway focus on a long-term commitment with the supplier and should only keep those suppliers that are actively engaging or open to work towards a sustainable supply chain. Ensure these suppliers have a direct relation with different processors and regions to secure stable supply of raw materials.

One concrete example for decreasing the length of the supply chain is to support the set-up of mica cooperatives (see chapter 4.1 and Annex 5) where mica pickers can directly sell their mica to, without intervening middlemen and aggregators.

CHILDREN OF INDIA FOUNDATION

Terre des Hommes Netherlands

RESEARCH STUDY ON SUSTAINABLE ACCESS TO LIVING INCOME FOR MICA WORKERS THROUGH COOPERATIVES IN MICA MINING AREAS OF JHARKHAND

(An effort towards elimination of WFCL through systemic change)

MARCH 2024

Submitted by
Mr. Himanshu Gupta & Mr. Divyang Sinha
on behalf of Kind Beings (www.kindbeings.in)

KB

TdH NL conducted a research study on cooperatives as a means towards more transparency in the upstream supply chain and for living income for mica mining families in Jharkhand, India, in March 2024.

5. Conclusion

This action-oriented research study underscores the urgent need for systemic, collaborative, and sustained efforts to bridge the living income gap for mica pickers in Jharkhand, India. The findings clearly demonstrate that while child labour and poverty in the mica supply chain are deeply entrenched, they are not insurmountable. Strategic company engagement, supported by legal formalisation, the development of cooperatives, and multi-stakeholder partnerships, present a viable pathway to lasting impact.

KEY CONCLUSIONS FROM THE RESEARCH:

1 The Living Income Gap is Structural and Multi-Faceted

Mica pickers currently earn only a fraction of what is required for a living income. This gap is perpetuated by the informal and often illegal nature of mica collection, lack of bargaining power, opaque pricing mechanisms, and insufficient legal protection.

2 Downstream Company Engagement is Crucial but Underleveraged

While companies have demonstrated a willingness to improve working conditions, few have embedded living income strategies into procurement practices. Companies, therefore, should move from commitment to implementation, with pricing models and contracts that reflect fair compensation upstream and will lead to better incomes.

3 Cooperatives Offer Transformational Potential

The establishment of legal, well-supported cooperatives can serve as a vehicle for economic empowerment, improved price negotiations, and social protection for mica pickers. However, their success depends on strong local governance, capacity-building of workers, and trust from both communities and buyers.

4 Legalisation and Traceability are Cornerstones for Change

The lack of a formal legal framework in Jharkhand is a key bottleneck. The recent moves toward formalisation with the “Dhibra”⁴⁵ policy in Jharkhand and the classification of mica as a major mineral by the federal government of India offer an opportunity for government, companies, and civil society to co-create a traceable and ethical mica supply chain.

5 Successful Models Exist and Can Be Adapted

Best practices from other supply chains and regions - including those from companies like Merck, L’Oréal, and Unilever - demonstrate that living income can be achieved when companies internalise social responsibility within procurement and business models.

6 Collaborative Initiatives Outperform Isolated Initiatives

Sector-wide coalitions like the Responsible Mica Initiative (RMI) provide a platform for collective impact. However, these initiatives must include living income as a topic and must be linked with company-level accountability, transparent KPIs, and shared implementation standards to make a real impact on the ground and avoid the risk of “ticking the box” without real impact for mica-picking families.

7 Sustainability Requires Internal Alignment

For downstream companies, sustainability must be integrated across departments — from procurement to leadership. A “two-way Code of Conduct”, ongoing supplier dialogue, and internal training and/or knowledge sessions on the concept and meaning of living income to contribute to the eradication of poverty and child labour are vital to achieving lasting impact.

45 Dhibra means scrap mica.

8 Holistic Support Systems

Increased income alone will not eradicate child labour or improve livelihoods sustainably. Parallel investments in education, health, childcare, and social services are necessary to reinforce the positive outcomes of a living income.

In sum, addressing the living income gap in the mica supply chain is both a moral imperative and a strategic opportunity. The momentum created by legal reforms, cooperative models, and growing corporate awareness must now be converted into concrete action. With coordinated efforts and shared responsibility, a just and transparent mica supply chain is not only possible - it is within reach.

For downstream companies the opportunity to work on above mentioned suggestions is quite obvious. TdH NL has the network and experience to set up programmes and interventions against child labour and for living income. There are different funding sources available for collaborations between NGOs and downstream companies to work on these topics and on responsible business conduct. The first step to achieve this as a company is to start using the engagement framework.

Let's start now. The Living Income Engagement Framework offers a lot of concrete actions to work towards a living income for mica-picking families in Jharkhand, India. Together, we can work on a better future for the children!

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Annex 1

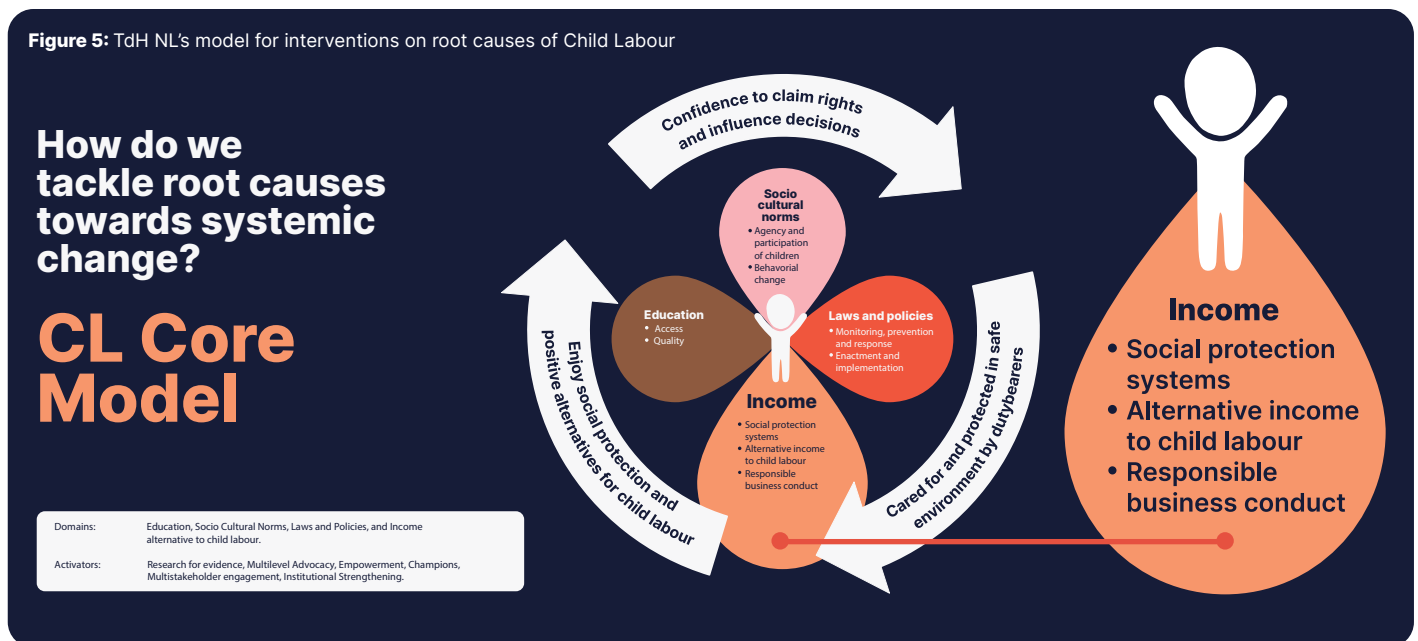
Terre des Hommes Netherlands: tackling child exploitation

Terre des Hommes Netherlands (TdH NL) is an international child rights organisation and co-founded RMI after its report *Beauty and the Beast* (2017) revealed the prevalence of child labour in mica mining in India. They collaborate with the private sector on RBC projects worldwide, both with upstream and downstream companies, trade associations and multi-stakeholder initiatives.

As described above, the insufficient income for mica pickers result in children helping their parents, perpetuating the cycle of poverty and exploitation. TdH NL has worked for nearly a decade to **combat child labour in the mica supply chain** in India, guided by its mission to “let children flourish in a world free of exploitation⁴⁶”. A central element of this work

is tackling the living income gap. Closing this gap addresses one of the root causes of child labour - **poverty** - by reducing families’ dependencies on children’s earnings (see Figure 1 for the other root causes and pathways to create systemic change). TdH NL interventions to reduce the root cause of poverty related to income are aimed at improving (the development) of **social protection systems**, finding and providing alternative income sources through **extra income generating activities to compensate the income loss** when child labour stops, and **engaging with the private sector** to promote Responsible Business Conduct (RBC).

Figure 5: TdH NL’s model for interventions on root causes of Child Labour



46 Terre des Hommes Netherlands, 2025, [Annual report](#)

TdH NL's **programmes** in Jharkhand have created health and safety workplace standards for mica pickers, implemented community empowerment programmes bringing better schools, health and nutrition services, and access to government social services to mica-dependent villages, and sought to create a legal framework for the mica sector. Those programmes are the prerequisite for TdH NL in the Netherlands and in India to permanently change the eco-sphere of mica-dependent communities and lift them out of poverty by paying workers fairly and raising the price of mica to do so.

Another important tool and important first step to achieve systemic change is **research**. As indicated above, TdH NL has done previous research that illuminated the realities of children working in mica mines in India and which lead to collective action.

Furthermore, TdH NL has an active **private sector engagement** both upstream and downstream. The organisation has been an active member of the Dutch International Responsible Business Conduct Agreements (IRBC), first in 2018 with the Metals Agreement (the Metals Agreement 2.0 has been entered into force end of 2025). Mica was/is being discussed in both Agreements.

Annex 2

Situational analysis of the regional characteristics mica Jharkhand, India

DRIVERS FOR CHILD LABOUR AND LIVING INCOME GAP

From the research of TdH NL⁴⁷ and of RMI⁴⁸ on living income, the following characteristics need to be considered, when looking at strategies to address and diminish the living income gap for the mica pickers. The following drivers for child labour and the living income gap are found:

- Lack of a formalised market, no formal and verifiable payment mechanisms.
- Length and related complexity of the supply chain, gives lack of supply chain transparency.
- Weak (supply chain) governance, lack of a robust legal framework in India.
- Ill-intentioned actors in the region.
- Payment of minimal prices for mica and/or piece rate prices.
- Poor access to quality education, health, and nutrition.
- Workers usually work without Personal Protective Equipment (PPE), being fully exposed to occupational health hazards.
- Illegality means that the workers have no bargaining power for the price setting and that the State has responded unexpectedly through raids/inspections and barely receives taxes on mica-related activities.
- The sector is dominated by artisanal and informal mica collections.
- Unbalanced revenue structure, prices from intermediaries vary per worker, depending on negotiation skills and level of awareness regarding price setting mechanisms.

- Unexpected expenditures force workers into debt and loans with high interest.
- Lack of social security schemes for informal mica pickers; formal mica workers receive Provident Fund, towards retirement benefits (from >20 formal workers) and ESI, and health care provision.
- India has a rainy season that lasts four months (from June to September). During this period, there is no work in mica.

It should be noted that, however, higher incomes may be not sufficient to fully eradicate child labour. For instance in the case of villages where secondary schools are remote (7-10 km away for a village with a dangerous way to go there), other measures should be taken to enable children to attend the school and follow higher education. Meaning that more of an effort needs to be made to support families holistically – with healthcare, childcare, and education services, for instance – next to an increased income in order to really make a difference.

ECO-SPHERE IN JHARKHAND

Before 1980, India had seven hundred legal mica mines in operation, most of them in the state of Jharkhand. A global dip in demand in the 1960s distressed the economy in the region. Mica mining and associated activities used to be the most lucrative livelihood options prior to the formal ban in the early 1980s, where the mica sector was further adversely impacted due to the promulgation of the Forest Conservation Act which banned mica mining inside forested areas.

⁴⁷ Research study on sustainable access to living income for mica workers through cooperatives in mica mining areas of Jharkhand. (An effort towards elimination of WFCL through systemic change), TdH NL and Children of India Foundation, March 2024.

⁴⁸ Establishing Fair Mica Worker Incomes and Wages in India and the Negligible Impact on Costs to Consumers: Fair Wage Network and BASIC Reports: 2023

With renewed demand for mica, traders and operators have illegally accessed hundreds of abandoned mines where mica continues to be collected. In the absence of alternative livelihood options (with special mention of the population living at the uppermost nodes of the Mica supply chain), people continued to depend on mica mining and other associated preliminary mica processing activities without a legal framework to meet basic survival needs. They engage in both surface and deep mining to collect mica in an unregulated environment which presents unsafe working conditions including the worst forms of child labour. In 2016, TdH NL and SOMO⁴⁹ found 22,000 children involved in mica picking. Field research by Terre des Hommes Germany in 2022 revealed that at least 30,000 children participated in collecting mica in the region, since COVID the numbers went up drastically. Presence of child labour is interlinked with the low incomes of the mica pickers and their families.

INCOME SITUATION OF MICA-DEPENDENT FAMILIES

TdH NL and RMI financed a study conducted by the Global Mica Committee⁵⁰, a NGO network active in the mica regions. They found 806 mica-dependent villages constituting more than 60% (486 out of 806) with more than 50% of population dependent upon Mica as primary source of livelihood. In terms of distribution of earnings:

- Mica pickers are at the lowest end of the spectrum and have the least earnings.
- The intermediaries who buy from 25 to 30 pickers, earn significantly higher revenues, based on larger quantities collected.
- The aggregators are benefiting the most as they buy from several intermediaries in bulk and have the ability to hoard and manipulate the market, which leads to a relative control on prices. The aggregators therefore extract the maximum.

In Jharkhand, the conditions of workers in mica-processing units were found to be slightly better compared to mica pickers. Indeed, mica workers in processing units receive a regular wage and social security benefits. Nevertheless, workers were also found to receive a wage that is lower than the legal minimum wage and doesn't constitute a living wage. Mica related activities, either mica collection or employment in a mica-processing unit, may not represent the only source of income for worker households. Total family revenue may be supplemented by farming and other activities such as running a small store or tailoring, especially in the rainy season when it is too dangerous to enter the mica mines due to the risk of collapsing mines. However, even when additional sources of revenue exist, mica related activities still are expected to represent approximately 75% of total family income⁵¹. Therefore, it remains important to close the living income gap.

LEGALISATION OF THE MICA PICKING

Intermediaries or middlemen who buy the mica from the mica-picking families, do not sell it to mica-processing units directly. Instead, intermediaries sell all the mica to aggregators, on a weekly, fortnightly, or monthly basis. Seventy-five percent of these intermediaries report not to sell to the same buyer while 25% generally sell to the same buyer⁵². The dependency to one buyer could be considered as a binding constraint hindering price negotiation and confirms the high bargaining power aggregators have on the rest of the actors.

49 *Beauty and the Beast: child labour in India for sparkling cars and cosmetics*, 2016, SOMO/ TdH NL

50 Know more about Mica Workers. Study on house holds and workers reliant on mica picking to earn their livelihood in the mica-belt of Jharkhand and Bihar (India). Global Mica Committee, RMI, TdH NL. May 2022.

51 Fair Wage Network, & BASIC on behalf of RMI (March 2023). Establishing fair mica worker incomes and wages in India and the negligible impact on costs to consumers.

52 Experience of Paradigm Shift and Local Impact Hub gained from interviews.

The Government of Jharkhand has formally acknowledged Dhibra (Mica scraps) as a legitimate source of livelihood. As per Jharkhand Gazette No. 86 dated 03.03.2022, under the provision to rule 9 (1) (a) of Jharkhand Minor Mineral Grant (Amendment) Rules 2021, Mica minerals found in scrap dumps within the state of Jharkhand, with commercial value, will be managed through Jharkhand State Mineral Development Corporation Ltd. (JSMDC). This essentially legalises the artisanal mining of mica scrap (Dhibra). JSMDC has established regulations for the execution of Dhibra dumps, which include the involvement of cooperatives in separating mica from the Dhibra dump. All payments for this labour work will be determined and directly provided to the cooperative licensed by JSMDC⁵³.

If mica supply would be legalised under the “Dhibra” policy with the establishment of cooperatives (see Annex 5), then the secondary sorting and aggregating would be conducted directly by processors without any intermediaries and aggregators. That means that, unless processors choose to rely on them, these middlemen are no longer part of the scrap mica value chain, thus also enhancing the transparency of and the traceability in the very upstream supply chain.

⁵³ Research study on sustainable access to living income for mica workers through cooperatives in mica mining areas of Jharkhand. (An effort towards elimination of WFCL through systemic change), TdH NL and Children of India Foundation, March 2024.

Annex 3

Questionnaires downstream actors

QUESTIONNAIRE FOR DOWNSTREAM COMPANIES

Name of company: _____

Name and function of contact person: _____

Company mica supply chain mapping: _____

Provide in-depth insights about existing and successful living income initiatives throughout (an) other supply chain(s) identifying success factors, concrete actions, and stakeholders involved.

- 1 What successful living income initiatives are you part of in different sectors?
- 2 What successful living income projects are you part of in different sectors?
- 3 What necessary stakeholder engagement can you identify as a success factor or driver for change?
- 4 What is the specific role and responsibility of your company in the project/ initiative?
- 5 Which stakeholders in the supply chain were involved and what were their specific roles and responsibilities?
- 6 Who are the beneficiaries of the living income initiative/project?
- 7 How do they measure the effectiveness (if measured)?
- 8 What procedures have been developed to come towards a living income, and to safeguard sustainability of the living income?
- 9 What obstacles were experienced, and to what part of the process are these obstacles related?
- 10 What possible solutions were found, or could be suggested to overcome these obstacles?
- 11 Has there been an evaluation of the obstacles and the measured effects and results?
- 12 Is there any documentation or websites we can access?

Analyse how downstream companies can contribute to a living income for the workers in mica picking.

- 13 What and how do companies contribute to acquiring a living income for workers?
- 14 What other contributions can be found from other examples of company engagement?
- 15 How do the downstream companies consider these contributions to be an option for their practice?
- 16 Please give some examples of effective company engagement, responsibility, and strategies.
- 17 Please give some examples of effective NGO engagement and collaboration.
- 18 Please give some examples of effective procedures and concrete actions that safeguard sustainability of the living income
- 19 Please give some examples of effective priorities and logical follow up steps that ensure effective and efficient functioning
- 20 What in your opinion are possible learning gaps for your company linked to living income strategies?
- 21 Which other actors face learning gaps?
- 22 What other means or missing links are present that withhold you from setting up meaningful engagement on living income?
- 23 What frameworks of guidance do you need to have meaningful engagement on living income?

QUESTIONNAIRE FOR RMI/TDH NL STAFF NAME OF ORGANISATION:

Name and function of contact person: _____

Provide in-depth insights about existing and successful living income initiatives throughout (an) other supply chain(s) identifying success factors, concrete actions, and stakeholders involved.

- 1 What successful living income initiatives are you part of (in different sectors), in which countries?
- 2 What successful living income projects are you part of (in different sectors), in which countries?
- 3 What necessary stakeholder engagement can you identify as a success factor or driver for change?
- 4 What is the specific role and responsibility of your organisation in the project/ initiative?
- 5 Which stakeholders in the supply chain were involved and what were their specific roles and responsibilities?
- 6 Who are the beneficiaries of the living income initiative/project?
- 7 How do they measure the effectiveness (if measured)?
- 8 What procedures have been developed to come towards a living income, and to safeguard sustainability of the living income?
- 9 What obstacles were experienced, and to what part of the process are these obstacles related?
- 10 What possible solutions were found, or could be suggested to overcome these obstacles?
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- 16 Please give some examples of effective company engagement, responsibility, and strategies.
- 17 Please give some examples of effective NGO engagement and collaboration.
- 18 Please give some examples of effective procedures and concrete actions that safeguard sustainability of the living income
- 19 Please give some examples of effective priorities and logical follow up steps that ensure effective and efficient functioning
- 20 What in your opinion are possible learning gaps of companies linked to living income strategies?
- 21 Which other actors face learning gaps? Which gaps?
- 22 What other meanings or missing links are present that withhold companies from setting up meaningful engagement on living income?
- 23 What frameworks of guidance do they need to have meaningful engagement on living income?

Annex 4

In-depth insights and best practices of successful living income initiatives

The next chapter will summarise the insights and best practices found through literature review in different supply chains on living income improvements for local workers. It will start with the Mica supply chain initiatives from companies and Indian initiatives. Followed by other living income initiatives in India from other sectors. From India it will zoom out from there to interlinked supply chain and global initiatives, starting with the extractives sectors and sector initiatives to more individual company best practices.

I. MICA SUPPLY CHAIN INITIATIVES

Companies taking part in the research of SOMO from 2018⁵⁴ said they prefer to join collaborative efforts for mica due diligence, as they feel that this will have a greater impact and be more efficient than solo efforts. Companies want to help design and implement an industry scheme to maximise their impact and avoid burdening suppliers. An example of this kind of cross-industry collaborative initiatives mentioned are:

The Responsible Mica Initiative

The Responsible Mica Initiative is a non-governmental organisation created to establish a fair, responsible and sustainable mica supply chain in India by promoting responsible sourcing practices, and eradicating child labour and unacceptable working conditions. RMI members are drawn from industries associated with the mica supply chain in partnership with civil society organisations and local stakeholders. Mica training for processors and auditors are available at the Responsible Minerals Initiative [eLearning Academy](#). The tool aims to improve transparency and promote a collective understanding of good practices and a means to consistently assess

risks and actions to improve performance within mica supply chains.

Responsible Minerals Initiative

The Responsible Minerals Initiative works to provide tools, resources, and partnerships necessary for downstream companies to carry out their due diligence in accordance with the OECD Due Diligence Guidance.

To this end, the Responsible Minerals Initiative:

- Coordinates supply chain research by member companies to increase the understanding of the applications of mica in electronics and automotive products.
- Has added mica to the Risk Readiness Assessment, enabling members to invite mica suppliers to the platform to complete the self-assessment against the industry norms covering social, environmental and governance issue areas.
- Developed and maintains the [Extended Minerals Reporting Template](#).
- Issued the [Global Workplace Responsible Sourcing, Environmental, Health & Safety Due Diligence Standard for Mica Processors](#).
- The Responsible Minerals Assurance Process (RMAP) provides independent third-party assessments for mica processors.
- Works collaboratively with stakeholders such as the [Responsible Mica Initiative](#) to further transparency and responsible mica production and sourcing practices.
- Has signed a Memorandum of Understanding (MOU) with the Responsible Mica Initiative to develop a joint program to audit mica processors.

54 NL180313_GLOBAL-MICA-MINING-.pdf

Automotive Industry Action Group

AIAG is the global automotive industry's collaborative hub - uniting Original Equipment Manufacturers (OEMs), suppliers, and service providers to create best-in-class processes for quality, supply chain, and sustainability. By fostering open collaboration and shared expertise, they drive progress and empower companies of all sizes to shape the future of automotive excellence.

AIAG's Responsible Materials Work Group assists with raw materials sourcing including and beyond conflict minerals to comply with regulatory influences (US, EU, China, and others) plus non-legislated materials (e.g., cobalt, mica). Supply chain industry experts come together in this group to tackle responsible materials issues and challenges, and influence widely used materials reporting content guidelines, standards, and documents that impact the business every day.

Since 2011, AIAG has contributed to the development of Responsible Mineral Initiative's minerals reporting templates, and in 2012, launched the first web-based data management to identify products containing conflict minerals. AIAG continues to work with the Responsible Minerals Initiative to enhance and develop templates focused on reporting conflict minerals, cobalt, mica, and extended minerals within the supply chain.

European Partnership for Responsible Minerals

EPRM is a multi-stakeholder partnership. Its goal is to increase responsibly produced minerals from conflict-affected and high-risk areas (CAHRAs). EPRM also aims to support the socially responsible mineral extraction, contributing to local development. EPRM helps with the [EU Conflict Minerals Regulation](#), because more than the regulation alone is needed to make a significant change. EPRM supports mine sites in CAHRAs. This support aims to enable more mines to meet the standards required by [OECD Due Diligence Guidance standards](#). This will then allow companies to source minerals from the mines while also meeting relevant regulations.

In 2023, EPRM focuses on tin, tantalum, tungsten, lithium, mica, natural graphite, cobalt, copper and nickel. To reach its goals, EPRM focuses on 3 actions:

1 Supporting mine sites - Responsible production

Partners support artisanal and small-scale mines (ASMs) to produce more responsibly. This gives the miners access to formal markets at local and international levels.

2 Supporting companies - Responsible sourcing

Partners support mid- and downstream actors in responsibly improving their due diligence practices in responsible sourcing practices. Partners support miners via capacity building and cross-sectoral learning.

3 Linking production and sourcing

Partners create improved links between supply chain actors. This encourages trade from ASMs in CAHRAs. On the [Development Cooperation Projects database](#), there is an overview of projects that are carried out in the field of development cooperation.

II. MICA INITIATIVES IN INDIA

Apart from the global mica initiatives mentioned above there are other networks and companies working on living income in mica in India:

Fair Wage Network

Distinct from an audit approach, the Fair Wage Method focuses on partnerships with factories, stores, and brands to assess wage practices through worker and management surveys, identifying root causes, and implementing improvements, including Human Resources policies and practices. They conduct a study on Mica in 2021⁵⁵ for L’Oreal and RMI, to determine living wage levels for typical mica-dependent families in India. Apart from mica they specialise in assisting companies in different supply chains with their twelve step Fair wage approach.

Apart from pricing strategies, it focuses on ensuring social dialogue, developing a transparent pay system, and looking at work intensity, technology and up-scaling⁵⁶. These dimensions can offer a good approach for upstream companies to work towards living income.

L’Oreal’s Living Wage Commitment

In 2017, L’Oreal became a founding member of the RMI. As the world’s largest cosmetic company, it widely uses mica, a naturally occurring mineral, to give its pigmented products a shine and opacity. L’Oreal has worked with RMI to improve living wages as a root cause of many human rights issues in the workplace.

L’Oreal’s commitment is to secure living wages across their business and committing to do the same for all their strategic suppliers’ employees. Their goal: by 2030, 100% of their strategic suppliers’ employees will be paid at least a living wage covering their basic needs and those of their dependents, calculated in line with best practices.

L’Oreal is also a member of Business for Inclusive Growth (B4IG), through which they have been collaborating with the OECD and other companies to push the living wage on the sustainability agenda, as well as the UN Global Compact Decent Work in Global Supply Chains action platform, where L’Oreal is collaborating with other companies and sharing best practices and challenges on the living wage journey.

Merck’s Human Rights approach⁵⁷

Merck as a German company follows the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). The LkSG specifies the international conventions for the protection of human rights and defines human rights risks. More specifically, it focuses on the following risks in particular: The prohibition of child labour, protection against slavery and forced labour, freedom from discrimination, protection against unlawful taking of land, occupational health and safety, prohibition of withholding an adequate living wage, and the right to form trade unions and workers’ representations.

Merck’s approach incorporates the implementation of living wage with their first tier mica suppliers, processors in Jharkhand and Rajasthan. Through monthly meetings with their suppliers, Merck can guarantee a living wage for all workers, including a living income for the workers in the mines (Rajasthan) where the mica is collected. The living income margin is paid by them directly. They show that companies with a short, direct supply chain can pay living wages and incomes, if they are committed to also pay the margin.

⁵⁵ Mica workers – Fair Wage Network

⁵⁶ 12 dimensions – Fair Wage Network

⁵⁷ LkSG | Merck

III SUCCESSFUL LIVING INCOME/WAGE INITIATIVES IN INDIA

Several successful living wage initiatives have been implemented within India's supply chains, aiming to enhance workers' livelihoods and promote equitable economic growth.

ACT (Action, Collaboration, Transformation) Initiative

ACT is a collaborative initiative involving international brands, retailers, manufacturers, and trade unions aimed at achieving living wages in the textile and garment supply chain. Companies operating in India participate in this initiative, working collectively to establish industry-wide agreements and ensure fair wages for workers. These examples demonstrate that company engagement in implementing living wages in India often involves:

- Collaborative Efforts: Partnering with other brands, suppliers, and stakeholders to create industry-wide standards and solutions.
- Absorbing Additional Costs: Companies bear the financial implications of wage increases to ensure product prices remain stable for consumers.
- Long-Term Commitment: Setting clear, time-bound goals to achieve living wage standards across all levels of the supply chain.

Fair Wear Foundation's Efforts in the Garment Industry

The Fair Wear Foundation collaborates with garment brands, workers, and industry stakeholders to enhance labour conditions in garment factories across India. By implementing the Fair Wear Code of Labour Practices, which includes the payment of living wages, the foundation strives to ensure that workers receive fair compensation. Their approach involves brand performance checks, factory audits, and training programmes to promote continuous improvement in wage standards.

Fairtrade International's Standards

Fairtrade International promotes fair trade practices, ensuring that farmers and workers receive equitable compensation. In India, Fairtrade's standards advocate for living incomes for farmers and living wages for agricultural workers, particularly in sectors like coffee, cocoa, and tea. By adhering to these

standards, producers can improve their livelihoods and invest in community development.

FLOCERT

As the global certifier for Fairtrade, FLOCERT ensures compliance with Fairtrade Standards across supply chains. By providing audit and certification services, FLOCERT guarantees that companies adhere to fair wage practices, thereby promoting sustainable livelihoods for workers.

Building upon previous insights, it is essential to recognise the multifaceted approaches and recent developments in promoting living incomes within India's supply chains.

Ethical Trading Initiative (ETI) responsible purchasing practices

ETI members jointly tackle living income challenges, examples are mostly from garment and agriculture, but the approach can be applied to mica as well⁵⁸. The common framework provides an outline of Research Practise Partnerships (RPPs), to support companies to engage with stakeholders and take practical action to create an enabling environment for good labour standards in their supply chains. It breaks down the broad subject of purchasing practices into five overarching principles, a 'common language' by which to structure effective implementation.

International Labour Organisation's (ILO) Initiatives

The ILO's "Setting Adequate Wages" project in India supports wage-setting mechanisms that use data and evidence on workers' needs and economic factors. This initiative aims to establish fair wage standards that reflect the cost of living and promote decent work conditions. By engaging with local stakeholders, the ILO fosters social dialogue to ensure that wage policies are both fair and sustainable.

⁵⁸ Responsible purchasing practices | Ethical Trading Initiative

IV COMPANY INITIATIVES IN INDIA

Companies operating in India have undertaken initiatives to implement living wages, contributing to improved worker welfare:

Unilever's Living Wage Promise

Unilever's aim is for all Unilever suppliers to pay a living wage. To move towards this, Unilever is asking suppliers to sign their Living Wage Promise, committing to assessing the gap between what they pay and a living wage, and to taking steps to close it. They are also ensuring that paying a living wage is included in contracts with factories that exclusively make Unilever products. And they are driving collective action, working in coalition with others to create a shared understanding of living wage and momentum towards better practices⁵⁹.

Mini Rodini's Living Wage Project

Swedish children's clothing brand Mini Rodini initiated a living wage project in 2014, focusing on factories in India. The company conducted research to determine living wage estimates and developed a system to bridge wage gaps. Notably, the additional funds required to meet living wage standards were absorbed by the company, not passed on to consumers. By Autumn 2017, 18% of their products were manufactured by workers receiving a living wage premium, with plans to extend this to all sewing units.

V BEST PRACTICES AND LEARNINGS FROM INDIA

Implementing effective living wage initiatives in India involves a multifaceted approach that encompasses policy reforms, community engagement, corporate responsibility, and data-driven strategies. The following best practices and learnings have emerged from various successful programmes:

Community Empowerment and Resource Management

Pachgaon Village, Maharashtra: After obtaining community forest rights in 2012, Pachgaon transformed its local economy by sustainably managing and commercialising bamboo resources. This initiative led to job creation, improved infrastructure, and enhanced educational opportunities. A key aspect of their success was the inclusive decision-making process, ensuring equal wages for men and women and collective management of profits. Since mica picking is only a seasonal activity, looking for options for other income earning activities for families in Jharkhand could provide means to increase their livelihoods, apart from the living income approach.

Regional Living Wage Benchmarks

Establishing Context-Specific Wages: Recognising the diversity in living costs across different regions, the Global Living Wage Coalition has developed regional living wage benchmarks in India. For instance, the living wage estimate for rural Nilgiris District in Tamil Nadu is 13,914 Indian rupees per month, while in Tirupur City, an urban area in Tamil Nadu, it is 18,482 Indian rupees per month. These benchmarks provide a foundation for setting fair wages that reflect local economic conditions. Therefore, it is key to know what the regional wage benchmarks have developed before starting with living income steps.

⁵⁹ Improving livelihoods in our global value chain | Unilever

VI EXTRACTIVES METALS INITIATIVES

Mica is part of the metals and minerals supply chains; its excavation methods have similarities in practice with other metals and natural stone. The industries and pricing systems are similar. The best practices of existing extractive initiatives offer valuable lessons for improving the mica supply chain.

IRMA: International Responsible Mining Initiative

Their global standard, developed over ten years and in consultation with more than one hundred companies and organisations, covers all mined materials, except for energy fuels, for all sizes of industrial mines and in all parts of the world. They are equally governed by labour unions, mining-affected communities, environmental and social justice organisations, as well as mining companies and those businesses that buy and invest in mined materials. In IRMA, no single type of organisation or industry can make decisions that do not work for other stakeholder groups. This is what makes IRMA accountable to all. Learn more about the [equal stakeholder leadership](#).

IRBC Metals Agreement⁶⁰, Renewable Energy Agreement⁶¹ and TruStone

In the Netherlands, government, companies (and sometimes together with their trade associations), and CSOs jointly work toward more sustainable supply chains through the International Responsible Business Conduct Agreements. The above-mentioned initiatives focus on minerals/metals and natural stone. TdH NL was a signatory member of the first metals agreement (active from 2018 to 2024) and of the current Renewable Energy Agreement. The Metals Agreement 2.0 has been signed at the end of 2025 with TdH NL as a signatory party to the Agreement.

Within these agreements TdH NL offers expertise on their experience with child labour and how to eradicate it in the mica supply chain. The first Metals Agreement has developed useful tools for downstream companies to address the risks in their supply chain. Since there are many metals with different risks a risk matrix has been developed⁶². On page 33 the risk assessment of mica is explained.

Downstream companies from the Netherlands, and other EU companies can join the active agreements, when the core business of the company is part of the sector supply chain. Even though living income is only one aspect that is part of due diligence, the membership provides the option for companies to set up joint initiatives and projects on a number of supply chain risks. The TruStone Initiative is an IRBC Agreement for the natural stone sector. They have developed a guideline for companies on living Wage/Income⁶³. In this guidance companies are guided step by step to address living wage/income in their supply chain.

Arte Foundation ensuring quality education

Ensuring the payment of a living wage entails additional approaches from companies in order to ensure a climate for change, for instance; awareness raising on the importance of education, access to a quality education for all children and linkage with the government services.

Often downstream companies set up their own education foundation in collaboration with the local schools⁶⁴ like the granite company Arte from the Netherlands has done.

⁶⁰ [Agreement for the Metals Sector | IRBC Agreements](#)

⁶¹ [Renewable Energy | IRBC Agreements](#)

⁶² [Due Diligence Risk Matrix](#)

⁶³ [Guidance Regarding a Living Wage](#)

⁶⁴ [Home — Arte Foundation](#)

VII OTHER SUPPLY CHAIN AND MONITORING INITIATIVES

UN Global Compact, the world's largest corporate sustainability initiative

The ambition of UN Global Compact is to accelerate and scale the global collective impact of business by upholding the Ten Principles⁶⁵ and delivering the SDGs through accountable companies and ecosystems that enable change.

To make this happen, the UN Global Compact supports companies to:

- 1 Do business responsibly by aligning their strategies and operations with [Ten Principles](#) on human rights, labour, environment and anti-corruption; and
- 2 Take strategic actions to advance broader societal goals, such as the [UN Sustainable Development Goals](#), with an emphasis on collaboration and innovation.

Even though living income is not one of the ten principles, collaboration with the UN Global Compact can make a company more equipped to tackle living income challenges together.

B CORP certification

B Corp Certification⁶⁶ is a designation that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials. Certification builds trust with consumers, communities, and suppliers; attract and retain employees; and draw mission-aligned investors.

B Corp Certification is holistic, not exclusively focused on a single social or environmental issue. And the process to achieve and maintain certification is rigorous and requires engaging teams and departments across the company. It is a standard that will create engagement and alignment within a company, making the business ready to address the

issues of living wage throughout the supply chain.

Global Living Wage Coalition (GLWC)

The Global Living Wage Coalition is a unique knowledge-action partnership, bringing together sustainability systems, researchers, and others with the shared goal of increasing wages and enhancing quality of life for workers and their families worldwide. It unites sustainability systems and other organisations in a position to implement and advocate for action on living wage⁶⁷. They have studies on living income and wages of multiple supply chains, countries, and regions.

Living Income Community of Practice

Living Income Community of Practice⁶⁸, is an alliance of partners dedicated to the vision of thriving, economically stable, rural communities linked to global food and agricultural supply chains. The goal of this community is to support activities focused on improving smallholder incomes towards living incomes, since mica pickers can also be farming to additional income, this can be a useful tool for companies.

They have developed a company guide for companies seeking to address poverty and economic viability with smallholder farmers in their supply chains. By using this guide, companies will be able to integrate living incomes into their sourcing practices and sustainability programmes. It provides an explanation of the three main rationales for companies to address the challenge of a living income – that of addressing decent livelihoods as part of basic human rights, of the opportunity to protect and build a positive reputation and of the need to ensure security of supply⁶⁹.

ISEAL Alliance alleviating poverty approach

ISEAL Community Members are all sustainability systems and accreditation bodies dedicated to delivering benefits for people and the planet. ISEAL and its members are working together to advance the capacity to run effective monitoring and evaluation systems, to enable ongoing learning and improvement of the systems. Demonstrating and Improving Poverty Impacts Project (DIPI)⁷⁰ seeks to understand the contribution that certification systems can make to

65 [The Ten Principles | UN Global Compact](#)

66 [B Corp Certification](#)

67 [Ways to Get Involved - Global Living Wage Coalition](#)

68 [living income – LivingIncome](#)

69 [Guiding steps towards living income in the supply chain](#)

70 [Demonstrating and Improving Poverty Impacts project \(DIPI\)](#)

poverty alleviation and pro-poor development. The DIPI project is leading the sector as an example of collaboration within the certification movement.

A similar project in mica would benefit the mica pickers, as they would be able to improve poverty impacts. For this RMI could work towards becoming an accreditation body for mica. At this moment, only IRMA is a member of ISEAL.

Fair Labour Wage (FLA) Tool

FLA provides comprehensive resources to help members, and the public understand global **labour rights issues** and take action to improve labour practices in supply chains worldwide. FLA also has developed scalable tools to help companies make tangible progress on fair compensation. FLA's **Fair Compensation Toolkit**⁷¹ comprises the groundbreaking Wage Data Collection Tool and Fair Compensation Dashboard, award-winning living wage resources that work together to show companies the gap between what workers earn and what they need.

The Fair Labour Association's wage tool is especially useful for companies to assess where they are in the journey towards paying a living wage. It provides essential data for companies to advance discussions and decisions on improving wages and internally assess how well they are doing. It helps companies to engage with FLA and others to move the needle on the critical issue of living wage.

SA8000 certification scheme

Certificates and quality marks are a guarantee to a certain extent. But the difficulty is that most social quality marks only check payments for minimum wages and not living wages. **The SA8000 certification scheme** is one of the few schemes to only award a certificate to companies paying a living wage. The SA8000 scheme has strict criteria for fair production. Its certification criteria are based on the guidelines of **the International Labour Organisation (ILO)**. The standard can be implemented with the help of Social Accountability International⁷².

True Price

True Price was founded in 2012 and in the subsequent years developed into a world leading expert in methods and tools to measure and monetise societal impact. It calculated the true price of dozens of products around the world and saw a growing appetite for the idea among companies, governments, and consumers. In 2018, True Price decided to continue as a non-profit focused on maintaining a standard and community to realise true pricing, a system where consumers can see and voluntarily pay the true price of products.

All services, as well as the development of new methods and technologies, have been spun off to the Impact Institute. They developed open access methods for companies and others to calculate and learn about true pricing⁷³.

Netherlands Enterprise Agency (Rijksdienst voor ondernemend Nederland- RVO)

The RVO subsidises Dutch downstream companies in collaboration with NGOs and local companies to improve Social Sustainability Issues in the supply chain. Living Income is one of the three focus areas (next to child labour and working conditions), this funding for three year projects can also apply to the Mica supply chain⁷⁴.

Apart from funding the RVO also develops brochures for downstream companies to address different social issues in the supply chain, they have developed a brochure on living wage⁷⁵.

IDH Living Wage Platform

IDH is working to secure living wages through the Roadmap on Living Wages. This platform works to strengthen international alignment and to build tangible solutions regarding living wage. Earning a living wage means workers receive sufficient wages to afford a decent standard of living for the worker and family.⁷⁶ The focus is on agriculture products, together with Dutch supermarkets, local NGOs and trade unions they set up a joint effort to realise Living Wage in bananas⁷⁷.

⁷¹ [Fair Compensation Toolkit](#)

⁷² [SA8000® Standard - SAI](#)

⁷³ [Resources - True Price](#)

⁷⁴ [Subsidy Programme for Responsible Business | RVO.nl](#)

⁷⁵ [Paying a living wage.pdf](#)

⁷⁶ [IDH Roadmap on Living Wages - IDH - the Sustainable Trade Initiative](#)

⁷⁷ [Banana Retail Commitment - IDH - the Sustainable Trade Initiative](#)

VIII. EFFECTIVE EXAMPLES OF COMPANY ENGAGEMENT, RESPONSIBILITY AND STRATEGY

Throughout the years the frontrunner companies have been working on different pricing mechanisms to improve access to living wage and income. For downstream companies, their leverage is on the relationship with the suppliers (long-term commitment) and the agreements they make in the suppliers' contracts, concerning the topic of living income. The following examples show the effective methods used by different companies, if possible, with a link to their story.

EOSTA Sustainability Flower

The Sustainability Flower is a framework to Monitor, Manage, Market and Monetise the sustainability impacts of an organisation or production process. This includes impacts on both natural and social capital. The Flower monitors the sustainable development of an organisation over time. Eosta uses the Flower to assess and communicate the sustainability performance of its growers. It uses the method of true pricing to calculate the true price they should provide to the farmers, for mica this could work in a similar way⁷⁸.

Fairphone

Fairphone has a trusting relationship with its suppliers and ensures the payment of living-wage bonuses to workers through direct contracts with suppliers. By paying the living-wage bonus directly to the supplier, the company can circumvent a negative price fluctuation. For the workers, this results in a monthly living-wage bonus on top of the regular salary. [Learn more about Fairphone's approach here.](#)

Zeeman, 2-way Code of Conduct⁷⁹

At Zeeman they have included business practices for downstream companies, linked to the responsibilities in purchasing practices. The practices linked to living income are:

- Training buyers on costing for living wages, assess the actual wages to create insights in the wage gap and follow our action plan towards a phased implementation of living wage at our suppliers.
- Zeeman defined a responsible phase-out plan of production orders with a clear timeline, based on

- the Zeeman Responsible Exit Strategy Guidelines.
- If Zeeman causes a delay in the production process, they are open to discuss related costs with suppliers.
- They request suppliers to share cost price calculations (cost of (in)direct labour, materials, overhead, margin), to ensure that buying prices are never below cost price.

Nudie Jeans: Different paths to delivering value

Another question that came up in this research is how to best distribute funds earmarked for living incomes. Suppliers and workers know how to best manage the distribution of such funds. A trusting relationship with supply chain partners will help arrive at the best way to ensure payments that can be verified and confirmed.

Nudie Jeans pays the product price and adds its share of the living wage on top of that, but it encourages the factory to decide how to manage the payments to workers in a transparent manner. Social dialogue among management and factory workers showed that workers preferred a fair process where all workers receive a living-wage bonus, with those who have been employed for more than 3 months receiving a higher amount. [Learn how Nudie Jeans works with its suppliers here.](#)

Schijvens

A Dutch workwear apparel manufacturer used accurate wage-gap estimates to identify simple pricing adjustments that could move workers towards a living wage. A polo shirt now costs just €0.25 more, which effectively closes the wage gap in its facility in Turkey. The company shares open cost calculations with its customers to bring them along on the journey and help them understand the cost structure. [Read the Schijvens case study here.](#)

Adidas integrated HR management systems

Adidas is building on a commitment to secure living wages across business and committing to do the same for all strategic suppliers' employees. By 2030, 100% of the strategic suppliers' employees will be paid at least a living wage covering the basic needs and those of dependents, calculated in line with best practices.

⁷⁸ [Towards an Integrated IP&L for Eosta](#)

⁷⁹ [Zeeman_Two_way_Code_of_Conduct_-_Sept_2022.pdf](#)

They have integrated the Fair wage concept into its Human Resources Management Systems that lead to individual factories to monitor its wage performance and to implement when required remediation activities and practices. This systematic monitoring allowed the embedding of fair wages into business operations.

Puma inclusion of social dialogue and workers representation

The project aimed at improving wage-fixing mechanisms and pay systems, at developing a closer link between wages and workers' skills and performance, and at putting in place a better wage-adjustment process notably to price increases through proper collective bargaining on wages issues. The wage structure was improved with a better balance between fixed and variable pay, and with the introduction of a wage grid system that led the basic wage to better reflect workers' education, professional experience, and skills. Such improvements in pay systems (wages closer to skills, adjusted to price increases) also served as levers to progressively increase wage levels that improved in comparison to living wage thresholds⁸⁰.

⁸⁰ Reporting | PUMA®

Annex 5

Cooperatives in India

Structuring mica pickers in collective, legal and recognised entities could be a first step toward an improved bargaining power. The collective strength could support an improvement of the mica pickers' position as well when negotiating for prices, working towards living income. If mica pickers organise into cooperatives and the JSMD (Jharkhand State Mineral Development Corporation) purchases and then auctions that mica at a living income equivalent, total proceeds to the state from taxes on the scrap ("dhibra") mica sector are estimated at more than US\$ 13 million (€ 12.2 million) per year. These cooperatives conduct a first-level sorting of the mica and sell it to the JSMD, the state level administration for mining, which conducts secondary sorting (typically the role of an aggregator). The mica is then auctioned off.

Several central and state government schemes are available to support cooperatives in Jharkhand. These schemes aim to provide financial assistance, capacity building, infrastructure development, and market support to cooperatives across various sectors. So the assumption is made that the JSMD is able and willing to buy mica at a living-income level, and that JSMD staff are also paid a living income⁸¹.

Here are some schemes that can support the cooperatives⁸²:

- National Cooperative Development Corporation (NCDC) provides financial assistance to cooperatives for various activities such as marketing, processing, storage, and infrastructure development. Schemes include the NCDC Assistance to Cooperatives, Cooperative Marketing Development Fund (CMDMF), and Integrated Cooperative Development Projects (ICDPs).
- Rashtriya Krishi Vikas Yojana (RKVY) supports agricultural cooperatives by providing funds for agricultural development projects, including infrastructure development, training, and technology adoption. It aims to enhance agricultural productivity, improve farmers' income, and promote sustainable agriculture practices.
- National Agriculture Cooperative Marketing Federation of India (NAFED) provides support to agricultural cooperatives for procurement, marketing, and export of agricultural produce. Schemes include price support schemes, market intervention schemes, and export promotion schemes.
- Jharkhand State Cooperative Department offers various schemes to support cooperatives in the state, including financial assistance for capacity building, infrastructure development, and marketing support.
- Mukhyamantri Krishi Ashirwad Yojana (MKAY): This state government scheme in Jharkhand provides financial assistance to farmer producer organisations (FPOs) and cooperatives engaged in agriculture and allied activities. It aims to enhance farmers' income, promote collective farming, and improve access to agricultural inputs and markets.
- Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) is a central government scheme aimed at ensuring the welfare of communities affected by mining-related activities. It focuses on addressing issues such as health, education, and infrastructure development in mining-affected areas. While not specifically targeted at artisanal miners, the scheme aims to benefit communities dependent on mining, including artisanal mining communities.
- Pradhan Mantri Mudra Yojana (PMMY) is a central government scheme that provides access to credit for micro-enterprises, including those in the informal sector such as artisanal mining. Artisanal miners in Jharkhand can avail of loans under PMMY to finance

⁸¹ Establishing Fair Mica Worker Incomes and Wages in India and the Negligible Impact on Costs to Consumers: Fair Wage Network and BASIC Reports: 2023

⁸² Research study on sustainable access to living income for mica workers through cooperatives in mica mining areas of Jharkhand. (An effort towards elimination of WFCL through systemic change), TdH NL and Children of India Foundation, March 2024.

the mining activities, purchase equipment, or invest in business expansion.

- Jharkhand State Government Schemes for Livelihood Promotion: Various state government schemes aimed at promoting livelihoods and supporting small-scale industries can indirectly benefit artisanal miners in Jharkhand. These schemes include financial assistance, skill development programmes, market linkages, and infrastructure support for small businesses, which artisanal miners could potentially qualify for.

From the research of TdH NL and the Children of India Foundation on Sustainable Access to Living Income for Mica Workers through Cooperatives⁸³ (another Mercedes-Benz funded study), the following key findings came out of the interviews and Focus Group Discussions:

- 28% of the Mica collectors reported possessing some level of knowledge about cooperatives. However, upon being informed about the benefits that cooperatives can provide, a substantial majority of respondents, accounting for 85%, expressed willingness to invest in the cooperative, albeit with limited financial capacity. Regarding the anticipated participation rate of village residents in the cooperatives during its inaugural year, a majority of respondents, comprising 54%, expressed the belief that only 20–40% of the people from their village may join the cooperatives in its first year.
- Traders and intermediaries who presently control the mica supply chain perceive the development of a cooperative as a threat to their market dominance. They are apprehensive about losing their bargaining power, market share, and profits to a more organised and collective entity.
- Mica processors and manufacturers may view the development of cooperatives as an opportunity to source mica scrap from a more sustainable and ethical supply chain.
- Government stakeholders perceive the development of cooperatives for mica scrap pickers as a means to alleviate poverty and improve the socioeconomic conditions.
- Almost all cooperatives experts emphasised the importance of empowering Mica scrap pickers through collective ownership and democratic governance structures. The experts also stressed

the need for capacity-building initiatives to enhance the skills, knowledge, and capabilities of mica scrap pickers. Some experts suggested that, if permitted by the Government, the cooperatives could explore opportunities to add value to Mica scrap through processing, grading, and certification, thereby increasing its marketability and competitiveness.

The above-mentioned report on cooperatives also describes different types of cooperatives which are suited to work towards living income. The most promising form of cooperatives are the Multi-Purpose Cooperatives⁸⁴, which TdH NL is setting up at the moment and that is discussed in the following.

Multi-Purpose Cooperatives are organisations that engage in various economic activities across different sectors to meet the diverse needs of the members and communities. These cooperatives typically provide a range of goods and services, including agricultural, financial, housing, consumer, and social services. Balancing and coordinating various activities across sectors can be very challenging, requiring efficient management and communication systems. Some multi-Purpose cooperatives that are active in Jharkhand are:

- **SEWA (Self-Employed Women's Association):** SEWA operates as a trade union and cooperative organisation of self-employed women workers in the informal sector. It is governed by elected representatives from its membership base, which includes women engaged in various occupations such as agriculture, handicrafts, and home-based work. SEWA engages in multiple activities to empower women workers, including organising, advocacy, capacity building, and provision of essential services. It offers financial services, skill development programmes, healthcare, childcare, and housing support to its members. SEWA faces challenges such as addressing gender-based discrimination, ensuring financial sustainability, and advocating for the rights of informal workers. It also works to overcome barriers related to access to markets, resources, and social protection for its members.

83 Idem dito.

84 Idem dito.

- **Women on Wings:**

Women on Wings is a non-profit organisation based in the Netherlands, with operations in India. It operates under a cooperative model, collaborating with rural women's cooperatives and enterprises in India. Women on Wings partners with rural women's cooperatives and enterprises across various sectors such as handloom, handicrafts, agriculture, and textiles. It provides business development support, market linkages, and skill-building initiatives to empower women entrepreneurs and improve livelihoods. Challenges faced by Women on Wings include limited access to markets, scaling impact in rural areas, ensuring sustainability of women-led enterprises, and addressing gender disparities in entrepreneurship.

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