

A young girl with dark hair and a somber expression sits on the ground, surrounded by dry sticks and leaves. She is wearing a red dress with a large floral pattern in orange and white. Her hands are dirty and she is holding a piece of broken, light-colored pottery or stone. The background is a dense thicket of dry branches and some green leaves.

# WHO SUFFERS FOR BEAUTY

*The child labour behind  
make-up's glitter*

DanWatch

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### **DanWatch**

DanWatch is an independent non-profit media and research centre conducting investigative journalism on global corporate impact on society and the environment. DanWatch acts as a watchdog, scrutinizing stances on social responsibility in companies investing, purchasing, trading and producing in other countries.

DanWatch  
Svanevej 12, 4  
2400 Copenhagen NV  
Phone: +45 3210 5214  
CVR: 3117 2969  
[info@danwatch.dk](mailto:info@danwatch.dk)

Researcher and author: *Nina Lendal*  
Field research and photos: *Peter Bengtsen*  
Preparatory research: *Tanja Kjeldgaard*  
Assistant researchers and authors: *Laila Sigrød Rosholm and Casper Ulsøe*

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DANIDA



## Summary

- DanWatch's research shows that L'Oréal, the world's biggest cosmetics company, and 11 others cannot exclude that the mineral mica in their products comes from child labour in illegal Indian mines.
- Mica is a mineral used as glitter in a wide array of make-up products, for example eye shadow.
- A significant quantity of India's mica is extracted in illegal mines in the states of Jharkhand and Bihar, where child labour is widespread. According to the Indian Bureau of Mines (IBM), India's export of mica in 2012 was over eight times the country's officially stated production.
- A large proportion of illegal mica comes from the north-eastern states of Jharkhand and Bihar, where the mining sector is officially closing down, but where DanWatch field research has located a substantial presence of illegal mining. In unofficial settings, Jharkhand is referred to as India's biggest producer of mica, a definition that even the government of Jharkhand agrees upon. The children's rights organisation BBA discloses that there are about 5.000 children working in the mines.
- Children as young as five years of age climb down narrow, crumbling mine shafts at the risk and peril of being trapped underground in case of collapse, and cut mica with hammer and chisel for 7-8 hours a day. They are paid £0,2/0,25€ per hour.
- According to the UN's Declaration of the Rights of the Child, it is forbidden for children to work if this has negative consequences on their health, prevents them from attending school or means they are exploited financially. Indian law also forbids children under 14 years of age to work in mines or mica extraction.
- The mica from the illegal mines in Jharkhand and Bihar is sold to intermediaries, who then sell it on to exporters. None of the exporters in the region checks whether child labour is involved in the extraction of the mica they buy from local intermediaries.
- Among the main buyers of mica in Jharkhand and Bihar are the German chemical and pharmaceutical company Merck and the Chinese company Kuncai, who supply the European make-up market. Kuncai does not require that their mica be child labour-free.
- According to local exporters in India, Merck supplies L'Oréal, the biggest cosmetics manufacturer in the world. Among other brands, L'Oréal owns Lancôme, Helena Rubinstein and Yves Saint Laurent. Kuncai itself states that it supplies mica to companies such as L'Oréal, Henkel and Intercos.

DanWatch has investigated the CSR policy on child labour and supply chain transparency at 16 of the cosmetics companies behind 20 make-up brands on the Danish market and asked them where they buy their mica.

- 7 out of the 16 companies support standards that include combating child labour, according to their home pages.
- 1 out of the 16 companies state that their suppliers have a policy prohibiting illegal mica and child labour.
- 2 out of the 16 companies state that they buy mica in India and they have initiatives to combat child labour in India's mica industry.
- 2 out of the 16 companies state that they do not buy mica in India.
- 12 out of the 16 companies do not disclose where their mica comes from.

# **1 The hard work behind natural make-up**

DanWatch has been to India to research the conditions of production behind the glittery mineral known as mica, which can be found in many make-up products such as eye-shade, mascara, lipstick and foundation.

There are no official numbers available but according to local export businesses and Jharkhand's government, a sizable part of India's mica production takes place in the states of Jharkhand and Bihar in East India. Here, DanWatch met children down to the age of five who were busy cutting stone blocks with hammer and chisel in the crumbling tunnels of illegal mines while their younger siblings sifted through mica flakes.



This mica ends up, among other places, in products by famous L'Oréal-owned brands such as Lancôme, Helena Rubinstein and Yves Saint Laurent. It very probably also winds up in many other cosmetic products by other companies, as the vast majority of brands cannot, or will not for competition reasons, disclose where their mica originates from.

Many companies market their make-up as 'natural'. There is no clear-cut definition of what the tag 'natural' would comprise, but it most often refers to the fact that the product includes one or more ingredients which come from natural sources. This means human labour is involved, just as when the naturally occurring mineral mica is dug out of India's mines.

The demand for natural ingredients in make-up is on the rise as a consequence of a general tendency towards a more sustainable and ecological lifestyle. Even if the word 'natural' is often connected to sustainability and ecology, there are no societal or environmental rules for the production and the marketing of natural products. As this report shows, it is quite a long shot from 'natural' to 'socially responsible'. Part of the natural

mica in our cosmetics is, in fact, produced under conditions which the International Labour Organisation, ILO, classes amongst the worst forms of child labour: children working in mines.

Children's work in India's mica mines involves sharp-pointed, heavy tools. The children inhale dust from the stone cutting and they risk being hit by falling stones when they are hacking the mica free from the stone walls. The heavy loads of mica are transported up narrow ladders and in extreme cases the children can be buried alive when the crumbling mine shafts collapse.

Where do the ingredients for make-up come from? It is a complex question, because the majority of companies keep their suppliers' details private and the road mica travels from the mine to the cosmetics shelf is tortuous. But DanWatch has uncovered links between the exploitation of children in East India and several big brands that market their wares in Denmark.

## 1.1 Method

DanWatch's report on child labour in the cosmetics industry is based on both desk and field research, and comes with references to all sources. The data is obtained from recognised services such as Eurostat, Statistikbanken and governmental geological surveys, as well as reports from companies, trade organisations and analysis centres.



The field research took place between 5th-15th December 2013 in East India, in the vicinity of the cities of Koderma and Giridh in the state of Jharkhand and of the city of Nawada in the state of Bihar. The report is based on observations conducted in the area and interviews with mica suppliers, intermediaries, child labourers and their families as well

as local NGOs with an expertise in child labour, a representative of the Jharkhand State Commission for Protection of Children's Rights and the manager of a legal mica mine. Information on the cosmetic industry's value chains and CSR policies comes from the companies' own websites and a survey they were sent by DanWatch. All the companies mentioned by name in this report have been offered the possibility to comment on the report's results before publication.

### **The hammer falls for Karulal<sup>1</sup>**

Karulal Bansi is 7. His brown eyes are looking at one thing only: the tip of the already battered chisel he is holding. With the tongue out of his mouth and both hands on the tool, he lets the hammer fall. Karulal hits the chisel's head precisely, again and again and again. It's not the first day in the company of hammer and chisel for this 7 year old Indian boy.

Karulal is cutting stone in search of mica, a mineral that can be used, among other things, for glitter in make-up products. He does it 7-8 hours a day, 5 days a week. He earns about £0,2/0,25€ an hour for his work in one of Jharkhand's countless illegal mines.<sup>2</sup>

His workplace is in the depths of the jungle, about 2 kilometres away from the nearest road. On the side of the mine two temporary tents have been raised, a place for the 7 year old and his colleagues to take break from the hard physical work in the 8-10 meters deep mine shaft.

Karulal Bansi's thin body is covered by a layer of whitish dust from the mica blocks he has cut free from the stone wall, but he continues, relentlessly. His daily wages go to his family, and they need the money badly. Just beside him is his father, Ajay Rajual, also working for £0,2/0,25€ an hour.

The family are landless Dalits. Karulal's mother and father have worked in the area's mica mines all their lives, just as their parents before them. They have never been in school. "What for?" They ask. The parents know that child labour is frowned upon, but as long as wages are so low, they need the whole family to work in order to earn enough to survive. At the age of 7, Karulal has already been given a life sentence: he must stay down in the mines and cut glittering mica from the mine walls, a job he already masters to perfection.

1 10/12/13, Interview with mica child labourer Karulal Bansi.

2 The Indian currency rupee has been translated into Danish kroner, and subsequently in Euros and UK pounds. The conversion has been made on 14th January 2014, when 100 Indian rupees=8,99 Danish kroner.





## 2 Child labour in India's mica industry

DanWatch has researched the production of mica in the two eastern states of Jharkhand and Bihar in India, where a sizable amount of the country's mica is extracted in illegal mines<sup>3</sup> and where many of the world's biggest cosmetics companies get their mica from.<sup>4</sup> This is the field study's coverage of the child labour in the region and the first leg of the journey of mica towards the world market.

Illegal mines are found in the north of Jharkhand and the south of Bihar, especially in and around the three main 'mica cities': Koderma and Giridih in Jharkhand and Nawada in Bihar. The illegal mines which DanWatch has observed were very diverse, ranging from a simple hole in the ground to 10 meter deep holes connected by systems of tunnels.<sup>5</sup> It is forbidden to extract mica out of the legal mines, but illegal mining is widespread and has been for decades, principally amongst the poorer population of the area, which does not own land or other means of procuring a livelihood.<sup>6</sup>



According to Sanjay Kumar Mishra, a member of Jharkhand's State Commission for Protection of Children's Rights, there is no concrete information on the number of child labourers in the state's mica mines.<sup>7</sup> His guess is 5.000 children, which is the same estimate as the children's rights organisation Bachpan Bachao Andolan (BBA) reported.<sup>8</sup>

3 See paragraph 4: "A mineral surrounded by uncertainty".

4 See paragraph 3: "Companies with ties to India's mica industry".

5 10/12/13, Observation of a number of illegal mica mines 10-15 km east of Koderma.

6 07/12/13, Interview with Sanjay Kumar Mishra, member of the State Commission for Protection of Child Rights, Government of Jharkhand. 10/12/13 Interviews with labourers in illegal mines 10-15 km east of Koderma.

7 07/12/13, Interview with Sanjay Kumar Mishra, member of the State Commission for Protection of Child Rights, Government of Jharkhand.

8 BBA (2013): <http://www.bba.org.in/?q=content/public-hearing-child-labour-and-education-jharkhand>



DanWatch's investigation shows that the fact that children work in the mica mines of the area is widely known.<sup>9</sup> It is not denied by intermediaries or exporters<sup>10</sup> – with the exception of Sales Manager P.K. Roy of Ratan Mica, who says the children just gather mica fragments on the mining sites.<sup>11</sup>

### Report by DanWatch's field researcher:

When we reach our first mica mine in the jungle, one of the workers storms away so fast that we have only time to catch a glimpse of his orange kerchief. Left behind is his somewhat frightened wife. He doesn't want to be 'caught' and has apparently gone to warn the others. When DanWatch tries to make contact with mica child labourers and their families, they encounter restraint, disquiet and outright fear. People are aware that the children should attend school and not work in the mica mines. Their fear is also due to the fact that it is illegal to mine mica and the miners are afraid to lose their livelihood. Finally, the noticeable presence of Maoist insurrectionalists in this region of Jharkhand is also a factor. According to the local population, they steal and endanger their safety. Their reserve can also be interpreted as a general wish to be left to attend to their own affairs.<sup>12</sup>

### Worst forms of child labour

ILO's Convention No. 182 states that work which can injure children's health, safety or well-being should be classed amongst the worst forms of child labour.<sup>13</sup> This is expanded upon by Convention No. 190, specifying that this can be work taking place underground, with dangerous tools or manual transport of heavy loads.<sup>14</sup>

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- 9 07/12/13, Interview with Sanjay Kumar Mishra, member of the State Commission for Protection of Child Rights, Government of Jharkhand. 10/12/13, Interview with BBA's national project manager Mohammad Salam Khan. 10/12/13, Interviews with labourers in illegal mines 10-15 km east of Koderma.
- 10 09/12/12, Interview with Rahul Modi, manager of Modi Mica Enterprises and owner of Sharda Mica Mining Co. 10/12/13, Interview with G. S. Rajgarhia, manager of ICR Mica. 08/12/13, Interview with exporter Lal Mohan Yadav, head of the 'purchasing department' of ALFA International. 09/12/13, Interview with intermediary Sitaram Varnual in the smaller city of Domchanch. 09/12/13, Interview with intermediary Kamal Kumar Jain in Koderma. 11/12/12, Interview with H. N. Bagaria, manager of Mount Hill's Industries.
- 11 11/12/13, Interview with P. K. Roy, Sales Manager of Ratan Mica Exports.
- 12 DanWatch travel diary, Jharkhand and Bihar 2013.
- 13 ILO Convention No. 182: [http://www.ilo.org/ipec/Campaignandadvocacy/Youthinaction/C182-Youth-orientated/C182Youth\\_Convention/lang--en/index.htm](http://www.ilo.org/ipec/Campaignandadvocacy/Youthinaction/C182-Youth-orientated/C182Youth_Convention/lang--en/index.htm)
- 14 ILO, Children in Hazardous Work (2011): [http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms\\_155428.pdf](http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_155428.pdf) (p. 4)

Children's work in India's mica mines involves sharp-pointed, heavy tools. The children inhale dust from the stone cutting and they risk being hit by falling stones when they are hacking the mica free from the stone walls. The heavy loads of mica are transported up narrow ladders and in extreme cases the children can be buried alive when the crumbling mine shafts collapse.<sup>15</sup>

India did not sign ILO's Convention No. 182 on the worst forms of child labour<sup>16</sup>, but has compiled a list of tasks and processes which are off limits to children under 14. This list is featured in India's Child Labour Act, where it is expressly stated that no children under 14 may work in mines or mica extraction.<sup>17</sup>

According to DanWatch's observations and interviews in Jharkhand and Bihar, child labour takes place as described<sup>18</sup>:

### Division of labour

- Small boys climb down in the holes and hammer the mica loose with hammer and chisel.
- Bigger boys also hammer the mica loose, sometimes with a shovel or pick when the bigger stones are cut free. Then they carry the mica from the mine to the separation area.
- Small girls separate the mica.
- Bigger girls separate and carry the mica.

### Age

- Sanjay Kumar Mishra from Jharkand's State Commission for Protection of Children's Rights says the children can be as young as 8 years.
- DanWatch observed children as young as 5 years work for hours in the mines.

15 08/12/13, Interview with Manoj Kumar, from the local NGO Rashtriya Jharkhand Seva Sansthan. 08/12/13, Observations approximately 10-15 km east of Koderma, in the towns and jungle. 10/12/13, Observation of a number of illegal mica mines 10-15 km east of Koderma. BBA (2010): [http://www.antislavery.org/includes/documents/cm\\_docs/2012/7/7\\_spring\\_2010\\_feayure.pdf](http://www.antislavery.org/includes/documents/cm_docs/2012/7/7_spring_2010_feayure.pdf) (p. 9)

16 ILO, conventions not ratified by India: [http://www.ilo.org/dyn/normlex/en/f?p=1000:11210:0::NO:11210:P11210\\_COUNTRY\\_ID:102691](http://www.ilo.org/dyn/normlex/en/f?p=1000:11210:0::NO:11210:P11210_COUNTRY_ID:102691)

17 Child Labour Act, 1986: <http://www.childlineindia.org.in/pdf/Child-labour-Act-1986.pdf>, (s. 2)

18 07/12/13, Interview with Sanjay Kumar Mishra, member of the State Commission for Protection of Child Rights, Government of Jharkhand. 10/12/13, Interview with BBA's national project manager Mohammad Salam Khan. 08/12/13, Interview with Manoj Kumar, from the local NGO Rashtriya Jharkhand Seva Sansthan. 08/12/13, Interview with child labourers Rem and Khavaria in the town of Mayagatari, 10-15 km east of Koderma. 10/12/13, Observations and interviews with labourers in illegal mines, 10-15 km east of Koderma.



## Times

- The shifts are 7-8 hours long in the winter and 8-9 hours long in the summer. Before and after, the workers travel for several kilometres and on the way home carry about 15 kilos of mica per person to the intermediaries in town.
- There are 5-6 working days in the week. Often Sunday is off, and for some Monday is off as well.

## Earnings

- Low-quality mica is sold to intermediaries at about £0,1/0,1€ per kg. If it is better quality, it can be sold for up to £0,3/3 per kg, but more often the price is closer to £0,1/0,1€ per kg.
- A day's earnings are between £1,2/1,4€ and £1,8/2,2€ per person, regardless of whether it is a child or an adult.<sup>19</sup>

The minimum wage in a legal mica mine in Bihar is of £2,1/2,7€ a day. The minimum wage in India is fixed both on a state and federal state level and varies according to the trade and qualifications. According to India's Ministry of Labour and Employment Labour Bureau a minimum wage has to be not only the bare minimum to survive, but also allow for some education, health and amenities.<sup>20</sup>

According to DanWatch's observations and interviews, a family with children working in the mica mines is often composed by the poor landless and casteless/Dalits. The family often does not have any other sources of income and if the parents have other jobs than in the mica mines it is as daily labourers in agriculture, construction or other mines. Many of the children don't go to school or attend for a few years before they drop out and start working instead. Often neither the parents nor the grandparents have received any education and often the whole family works extracting mica. Every family 'settles' on a little area of the jungle, digs one or more holes in the ground and attempts to keep others which could claim the land away. With time, a balance is reached and people recognise each other's right to the areas.<sup>21</sup>

19 The Indian currency rupee has been translated into Danish kroner, and subsequently in Euros and UK pounds. The conversion has been made on 14th January 2014, when 100 Indian rupees=8,89 Danish kroner.

20 Ministry of Labour and Employment Labour Bureau (2008): [http://labourbureau.nic.in/MW\\_Report\\_2008.pdf](http://labourbureau.nic.in/MW_Report_2008.pdf) (p. 9)

21 07/12/13, Interview with Sanjay Kumar Mishra, member of the State Commission for Protection of Child Rights, Government of Jharkhand. 09/12/13, Interview with inhabitants of the town of Sapahi. 10/12/13, Interview with BBA's national project manager Mohammad Salam Khan. 10/12/13, Interview with labourers in illegal mines 10-15 km east of Koderma.

### Jharkhand

According to the Indian Resource Centre for Women and Children, Dhaatri, Jharkhand is a very poor state from a socio-economic point of view, despite the fact that it is extremely rich in mineral resources and has experienced a significant economic development in recent years. 40% of the population lives under the poverty line, which is a considerably higher percentage than in the rest of the country. 75% of the population is dependent on agriculture and the degree of alphabetisation for adults is 53,5% the next-to-last lowest in India after the neighbouring state Bihar. The state has a low number of workers with a stable productive economic activity, which indicates that it is difficult to find regular, stable jobs. Jharkhand has a high amount of indigenous people which have historically been marginalised in India, and the majority of the children working in the mica industry comes from those ethnic groups.<sup>22</sup>

## 2.1 Mica: from extraction to export

DanWatch's field study covers the local supply chain of mica by looking at the people and businesses through which mica passes hands from the mine to the exporter.<sup>23</sup>

There are very few legal mines in the area. According to the official statistics there is only one, while DanWatch was told there are between none and three.<sup>24</sup> For legal mines, the supply chain is very short. They are either owned by or sell directly to the exporter, who then sells the mica on to foreign buyers. The mica is most often transported to Kolkata, where it is then sent abroad by ship.

For the illegal mines where child labour takes place, the supply chain is more complex:

- Miners from the towns extract the mica in illegal mines situated in the jungle around the towns, which they then sell to the intermediaries in town.
- The intermediaries in town transport the mica to the nearest mica trading centres in Domchanch, Koderma or Giridih in Jharkhand, where they sell to other intermediaries or directly to exporters. The sale is made through direct contact with the buyers or at auctions, where all interested parties can meet and bid on mica.

<sup>22</sup> Dhaatri (2010): <http://www.dhaatri.org/dhaatri/publications/childrenandminingstudyindia.pdf> (p.115, 118) and Arthapedia, 'Worker (census definition)': [http://www.arthapedia.in/index.php?title=Worker\\_\(Census\\_Definition\)](http://www.arthapedia.in/index.php?title=Worker_(Census_Definition))

<sup>23</sup> 10/12/13, Interview with labourers in illegal mines 10-15 km east of Koderma. 09/12/12, Interview with Rahul Modi, manager of Modi Mica Enterprises and owner of Sharda Mica Mining Co. 10/12/13, Interview with G. S. Rajgarhia, manager of ICR Mica. 11/12/13, Interview with P. K. Roy, Sales Manager of Ratan Mica Exports. 11/12/12, Interview with H. N. Bagaria, manager of Mount Hill's Industries. 08/12/13, Interview with exporter Lal Mohan Yadav, head of the 'purchasing department' of ALFA International. 09/12/13, Interview with intermediary Sitaram Varnual in the smaller city of Domchanch and intermediary Kamal Kumar Jain in Koderma.

<sup>24</sup> Indian Minerals Yearbook 2012, Mica: [http://ibm.nic.in/IMYB\\_2012\\_Mica.pdf](http://ibm.nic.in/IMYB_2012_Mica.pdf) (p. 36-5). 10/12/13, Interview with G. S. Rajgarhia, manager of ICR Mica. 11/12/13, Interview with P. K. Roy, Sales Manager of Ratan Mica Exports. 09/12/13, Interview with Rahul Modi, manager of Modi Mica Enterprises and owner of Sharda Mica Mining Co.

- The intermediaries in the central mica trading centres make a rough selection and cut the mica they bought in their small shops before it is sold to the exporters. Cutting is simple work and is performed sitting on the floor with a cutting knife.
- The exporters make a finer selection and process the mica further according to the requests of international clients. Mica blocks are cut manually with a knife or by machines, while the pulverising is performed by machines.



## No one checks on the intermediaries

There is a significant chance that a proportion of any mica bought in Jharkhand or Bihar has been extracted through use of child labour.

All the exporters DanWatch has interviewed buy mica from local intermediaries, who buy mica from illegal mines in the area. Some of the exporters also buy mica from legal mines. It is possible to control child labour in the legal mines<sup>25</sup> but none of the exporters DanWatch has investigated check whether the mica they buy from local intermediaries has been produced through child labour or not.<sup>26</sup>

When a company buys mica from an exporter who gets his mica from both legal and illegal mines, the company cannot determine whether a specific piece of mica has been extracted by an adult or a child.

Given that the vast majority of the mica in Jharkhand and Bihar comes from illegal mines, where child labour is very widespread, and that child labour concerns a high number of children – NGOs and Jharkhand's commission estimate about 5.000 – it is very probable that mica bought in these states is produced through children's work.<sup>27</sup>

<sup>25</sup> 09/12/13, Visit to a mine owned by Sharda Mica Mining Co.

<sup>26</sup> 09/12/12, Interview with Rahul Modi, manager of Modi Mica Enterprises and owner of Sharda Mica Mining Co. 10/12/13, Interview with G. S. Rajgarhia, manager of ICR Mica. 11/12/13, Interview with P. K. Roy, Sales Manager of Ratan Mica Exports. 11/12/12, Interview with H. N. Bagaria, manager of Mount Hill's Industries. 08/12/13, Interview with exporter Lal Mohan Yadav, head of the 'purchasing department' of ALFA International.

<sup>27</sup> BBA (2013): <http://www.bba.org.in/?q=content/public-hearing-child-labour-and-education-jharkhand>. 07/12/13, Interview with Sanjay Kumar Mishra, member of the State Commission for Protection of Child Rights, Government of Jharkhand. 10/12/13, Observation of a number of illegal mica mines 10-15 km east of Koderma.

### No school for Madhu<sup>28</sup>

“She’s not going to go to school”, the parents admit. The family needs all the money they can get from the work of extracting, sorting and selling mica. Madhu Kumar is only five and she will have to do without uniforms and books even as she reaches the right age for school.

Madhu is needed to work on the yellowy stones. Her job is to sort and separate mica flakes, a task she has been practicing for over a year now. Her mother and sister also help sorting the pieces that will be sold on to intermediaries, while her father and older brother hack away at the mica in the family’s two mines. These are two holes of about 2x3 metres and circa 1-2 meters deep, dug into the forest floor.

Madhu’s parents earn between £1,9/2,4€ and £3/3,6€ for a day’s work, while her sister and brother only earn between £0,9/1,2€ and £1,4/1,7€. But Madhu does not get anything for the 7-8 hours she works every day. She only helps relieving the burden of work on the family, thus raising their daily income.

Madhu and her family are landless Dalits and were not able to find work in the cities. There is, however, lots of work in Jharkhand’s many illegal mica mines. And in the end, the mica extracted by Madhu and her family winds up on Danish make-up shelves.

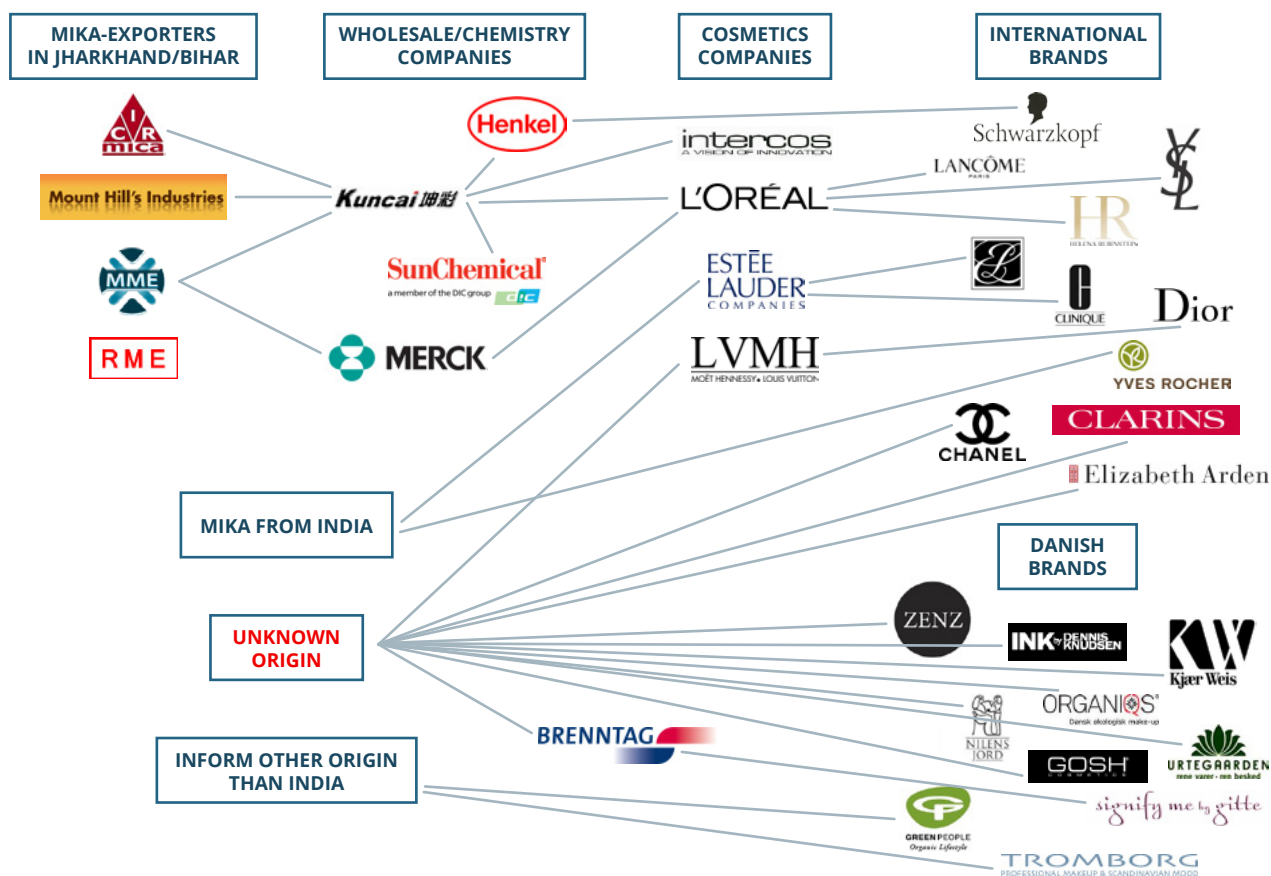
## **3 Companies with ties to India’s mica industry**

DanWatch’s investigation uncovers the ties between the East Indian mica industry and an array of big international companies. In the following two paragraphs we will consider the connections of L’Oréal and Merck and explore their CSR policy regarding child labour. In the third, we will illustrate connections to a number of other big companies.

28 10/12/13, Interview with the mica child labourer Madhu Kumari.



## Cosmetics product chain



### 3.1 From the mine to L'Oréal make-up

As reported by DanWatch's investigation, one of the companies to receive mica from Jharkhand and Bihar is L'Oréal. According to several local exporters in Jharkhand, L'Oréal buys mica in the area through the pharmaceutical and chemical company Merck.<sup>29</sup> Furthermore, the Chinese company Kuncai also states they sell mica to L'Oréal.<sup>30</sup> Kuncai and Merck have been named by several exporters as the biggest buyers from the area.<sup>31</sup>

DanWatch has interviewed the managers at Mount Hill's Industries, Modi Mica Enterprises and ICR Mica, who all say they have been selling mica to Kuncai.<sup>32</sup> All three exporters state that Kuncai does not require them to be child labour-free. Kuncai has not commented on this. According to DanWatch's investigation, the three exporters buy mica from intermediaries who get it from the illegal mines in Jharkhand and Bihar, where child labour is widespread. This means that it is very likely that child labour lies behind the mica in L'Oréal make-up.

29 09/12/12, Interview with Rahul Modi, manager of Modi Mica Enterprises and owner of Sharda Mica Mining Co. 11/12/12, Interview with H. N. Bagaria, manager of Mount Hill's Industries.

30 12/12/12, Interview with Mr. Jiang Shiquan, Exporting Business Manager of Kuncai.

31 09/12/12, Interview with Rahul Modi, manager of Modi Mica Enterprises and owner of Sharda Mica Mining Co. 10/12/13, Interview with G. S. Rajgarhia, manager of ICR Mica. 11/12/12, Interview with H. N. Bagaria, manager of Mount Hill's Industries.

32 09/12/12, Interview with Rahul Modi, manager of Modi Mica Enterprises and owner of Sharda Mica Mining Co. 10/12/13, Interview with G. S. Rajgarhia, manager of ICR Mica. 11/12/12, Interview with H. N. Bagaria, manager of Mount Hill's Industries.

## L'Oréal and child labour

L'Oréal is the world's biggest cosmetic company, with a revenue of 22,5 billion Euros in 2012. L'Oréal owns 27 international cosmetic brands, among which Yves Saint Laurent Beauty, Lancôme and Helena Rubinstein.<sup>33</sup>

L'Oréal is a member of the UN Global Compact.<sup>34</sup> According to the company's home page, it is expected that its suppliers respect the ILO conventions as well as local laws, particularly in regards to minimum wage, working hours, work environment and safety. According to L'Oréal, the company performs internal and external audits along the whole supply chain.<sup>35</sup> In the company's yearly report on human rights it is stated that the company's audits have encountered child labour-related issues with 5% of their suppliers.<sup>36</sup>

In L'Oréal's Code of Business Ethics, the company writes: "When a case of child labour is found, the supplier/subcontractor is obliged to ensure that the child returns to school. This includes, if necessary, providing his/her family with an additional income and includes making an offer of reemployment to the child when he/she reaches the permissible age."<sup>37</sup>

Even if L'Oréal has a CSR policy that obligates the company to combat child labour, L'Oréal has not reacted to the information that their mica comes from Merck and Kuncai, who buy the mica in areas where child labour is widespread and the latter of whom does not have any requirement that its mica be child labour-free.

## 3.2 The child labour behind Indian mica: a known issue for Merck

According to most important local traders in Jharkhand, the pharmaceutical and chemical company Merck is the biggest buyer of mica in the state of Jharkhand, together with a handful of big Chinese buyers.<sup>38</sup> In 2011, Merck declared that the company's mica supply comes for the most part precisely from Jharkhand and Bihar<sup>39</sup>, a practice which is under transformation as Merck increasingly buys mica from other countries.<sup>40</sup>

33 L'Oréal Activity Report 2012: [http://www.loreal-finance.com/\\_docs/rapport/2012/us/appli.htm](http://www.loreal-finance.com/_docs/rapport/2012/us/appli.htm) (p. 1)

34 UN Global Compact, L'Oréal: <http://www.unglobalcompact.org/participant/5978-L-Oreal>

35 L'Oréal, Socially Responsible Purchasing: [http://www.loreal.com/dd/loreal/Article.aspx?topcode=CorpTopic\\_Suppliers\\_PurchasePolicy\\_SocialR](http://www.loreal.com/dd/loreal/Article.aspx?topcode=CorpTopic_Suppliers_PurchasePolicy_SocialR)

36 L'Oréal, Human Rights Data Sheet (2012): [http://www.loreal.com/media/pdf/lorealrdd2011\\_gri\\_humanrights.pdf](http://www.loreal.com/media/pdf/lorealrdd2011_gri_humanrights.pdf) (p. 4)

37 L'Oréal, Code of business ethics, suppliers/subcontractors and child labour (2011): <http://www.loreal.com/Document.aspx?file=http://loreal.dam.front.corp-en.cdn.brainsonic.com/ressources/afile/1670-69e67-resource-ethics-charter-o-child-labor-at-our-affiliates-and-sub-contractors.html> (p. 3)

38 09/12/12, Interview with Rahul Modi, manager of Modi Mica Enterprises and owner of Sharda Mica Mining Co. 10/12/13, Interview with G. S. Rajgarhia, manager of ICR Mica. 11/12/12, interview with H. N. Bagaria, manager of Mount Hill's Industries.

39 Merck's Mica Supply Chain, Update May 2011.

40 Merck, October 2013: Stakeholder Information on Mica Sourcing (p. 2)

Merck has undertaken a series of initiatives to improve its social responsibility in Jharkhand. Already in 2008, Merck conducted research in the area and concluded that child labour was an issue.<sup>41</sup> According to local sources, the pace of action intensified when journalist Nicola Smith published an article on Merck's practice of purchasing mica extracted by children in Jharkhand in the Sunday Times.<sup>42</sup> Some of the initiatives have the goal of creating a supply chain free from child labour while others are of a social nature, such as the opening of schools and health centres in the area.<sup>43</sup>

## Merck's demands on child labour-free goods

Merck is the only mica buyer in the area to demand that their products be child-labour free. The manager of Ratan Mica Exporters explains that Merck requires their suppliers to:

1. own a legal mine
2. have a certification from the authorities that no child labour was behind their mica.

Furthermore, Merck's representatives pay surprise visits to the mines.<sup>44</sup> Merck writes that the company "is able to guarantee that no children are involved in the processing of the [mica] pigment."<sup>45</sup>

Merck maintains that the company's mica only comes from legal mines: "A tracking system for the mica has been established to ensure that the mica supplied to Merck is exclusively sourced from mines and is not of 'uncontrolled' origin". The mine owners register their production of mica daily and Merck checks it on a monthly basis. Merck explains that it is improbable that the mine owners would inflate the numbers from the production in legal mines and add mica from illegal mines to it because the extra amount of mica entails an additional taxation to be paid to the Indian state.<sup>46</sup>

Merck's requirements have made the company examine its suppliers from Jharkhand. Even so, according to DanWatch's field research Merck buys mica from an exporter, Modi Mica Enterprises, who gets its mica from uncontrolled illegal mines in the area DanWatch visited.

Rahul Modi, manager of Modi Mica Enterprises, tells DanWatch that he sells mica to Merck, which Merck itself has confirmed. Rahul Modi also says that his company both sells mica from the company's own mine, Sharda Mica Mining Co. and from local intermediaries which according to DanWatch's field research get their mica from illegal mines. Merck denies that any of the company's suppliers should have business arrangements with illegal mica mines parallel to those with legal mines.<sup>47</sup>

41 21/01/14 E-mail correspondence with Gerhard Lerch, Manager Media Relations, Merck.

42 10/12/13 Interview with G. S. Rajgarhia, manager of ICR Mica, and Business & Human Rights (2009): <http://www.business-humanrights.org/Links/Repository/696232>

43 Merck, October 2013: Stakeholder Information on Mica Sourcing (p. 2)

44 11/12/13, Interview with P. K. Roy, Sales Manager of Ratan Mica Exports.

45 Merck, October 2013: Stakeholder Information on Mica Sourcing (p. 2)

46 Merck, October 2013: Stakeholder Information on Mica Sourcing (p. 3)

47 09/12/12, Interview with Rahul Modi, manager of Modi Mica Enterprises and owner of Sharda Mica Mining Co. 23/01/14, E-mail correspondence with Gerhard Lerch, Manager Media Relations, Merck.

## Merck's social action in Jharkhand and Bihar

- Today, Merck finances three schools, two professional education centres and one health centre.<sup>48</sup>
- Merck has previously collaborated with the children's rights organisation Bachpan Bachao Andolan (BBA) on so-called 'child-friendly towns' but the collaboration ended as of 30th June 2012. The project revolved around informing parents of the benefits of education and giving them possibilities to have other sources of income beside mica extraction so that they wouldn't lose the children's income by sending them to school.<sup>49</sup>



### Kedan: the family's only breadwinner<sup>50</sup>

Kedan Bhuya is 10 years old. His father is disabled and paralyzed from the neck down. Kedan's mother must therefore spend all her time tending his father in the tiny hut in their town. Kedan's grind in the mica mine is their only income.



Contrarily to many other child labourers, Kedan does therefore not work together with his family. Instead, he works for a woman who supervises 17 'employees', women and men, girls and boys. This does not mean that the mine is legal. It just means that the woman who supervises them and has settled on that land can afford to remunerate her miners.

<sup>48</sup> Merck, October 2013: Stakeholder Information on Mica Sourcing (p. 3)

<sup>49</sup> 10/12/13, Interview with BBA's national project manager Mohammad Salam Khan and Merck, October 2013: Stakeholder Information on Mica Sourcing (p. 2)

<sup>50</sup> 10/12/13 Interview with the mica child labourer Kedan Bhuya.



Kedan Bhuya works in the lowest part of the mine shaft, where he scrapes and cuts mica with another boy and a man. Some other older boys carry the mica slabs up the hole while a group of girls and women carries them to a sorting area, separating them into piles.

After eight hours' daily work, Kedan Bhuya and the other workers leave the mine £1,8/2,3€ richer.<sup>51</sup> The money, however, does not go a long way when you're a 10-year-old who has to support your whole family.

### **3.3 Other recipients of Indian mica**

DanWatch has identified several other companies besides Merck and L'Oréal who have ties to the mica industry in Jharkhand and Bihar. All of them conduct business with the Chinese company Kuncai, which according to DanWatch's field research does not require that its mica be child labour-free.

#### **Schwarzkopf**

The Chinese company Kuncai states that they sell mica to the German chemical company Henkel.<sup>52</sup> Henkel owns, among other brands, Schwarzkopf<sup>53</sup>, which manufactures hair products containing mica.<sup>54</sup>

Henkel and Schwarzkopf disclose to DanWatch that they are already aware of the issue of child labour in the mica industry. Because they as a company have pledged to combat child labour, they check regularly that their suppliers do not get mica from the regions in India where child labour is reported. Because of DanWatch's report, they will ask their suppliers to confirm once again that the mica they buy is child labour-free (see attachment A).<sup>55</sup>

#### **Intercos**

Kuncai similarly states that they also provide the Italian cosmetics producer Intercos with mica.<sup>56</sup> Intercos is one of the leading cosmetics producers in the world, manufacturing make-up destined for the biggest global cosmetics brands and retail dealers. In 2010, 25 of the leading 30 cosmetics companies on the make-up market were clients of Intercos.

51 The Indian currency rupee has been translated into Danish kroner, and subsequently in Euros and UK pounds. The conversion has been made on 14th January 2014, when 100 Indian rupees=8,89 Danish kroner.

52 12/12/12, Interview with Mr. Jiang Shiquan, Exporting Business Manager of Kuncai.

53 Henkel, Schwarzkopf: <http://www.henkel.com/beauty-care/hair-12170.htm>

54 Superbest: <http://www.superbest.dk/produkt/schwarzkopf-poly-swing-volume-styling-wax> and Superbest: <http://www.superbest.dk/produkt/schwarzkopf-balsam-gliss-ultimate-oil-elixer>

55 21/01/14, E-mail correspondence with Mats Hagwall, SHEQ & External Affairs Manager.

56 12/12/12, Interview with Mr. Jiang Shiquan, Exporting Business Manager of Kuncai.

These 25 companies together comprised 77% of the global market.<sup>57</sup> Intercos did not react when DanWatch's informed them that Intercos' mica comes from Kuncai, which buys mica in the areas where child labour is widespread and does not require that its mica be child-labour free.

## Sun Chemicals

According to the database Panjiva, which registers transport overseas by ship from India, Kuncai sells mica products to Sun Chemicals, the world's biggest producer of print colours and pigments.<sup>58</sup> Sun Chemicals did not react when DanWatch informed them that Sun Chemicals' mica comes from Kuncai, which buys mica in the areas where child labour is widespread and does not require that its mica be child-labour free.

## **4 A mineral surrounded by uncertainty**

Mica is not a rare mineral. According to the Instituto Geológico y Minero de España (IGME), the earth's mass is composed of 3,8% mica<sup>59</sup> and according to the US Geological Survey (USGS) there are, on a global scale, store reserves of the kind of mica used in cosmetics. Mica blocks, which are bigger slabs of mica, are rarer. In this area, India is the leading producer and has the biggest reserves but this kind of mica is used mainly in electronics.<sup>60</sup>

The world's top producers of mica are China, Russia, USA, France, Finland, South Korea and Canada.<sup>61</sup> The estimates on how much mica is being extracted worldwide are, however, very different. This is primarily because there is much uncertainty around how much mica is extracted in China but the numbers regarding India are also quite uncertain.<sup>62</sup>

- The US Geological Survey (USGS) states 1.090.000 tonnes of mica were extracted worldwide in 2011<sup>63</sup>, while the British Geological Survey (BGS) states it was 307.000 tonnes.<sup>64</sup>

57 Bloomberg (2010): <http://www.bloomberg.com/apps/news?pid=conewsstory&tkr=RF:PZ&sid=ahJ0K4HaUKRY>

58 Panjiva: <http://panjiva.com/Buyers-Of?q=kuncai> (accessed 28/01/14) and [http://en.wikipedia.org/wiki/Sun\\_Chemical](http://en.wikipedia.org/wiki/Sun_Chemical)

59 IGME, Mica (2011): <http://www.igme.es/internet/PanoramaMinero/actual/mica11.pdf> (p. 1).

60 USGS, Mica (2013): <http://minerals.usgs.gov/minerals/pubs/commodity/mica/mcs-2013-mica.pdf> (p. 105)

61 USGS, Mica (2013): <http://minerals.usgs.gov/minerals/pubs/commodity/mica/mcs-2013-mica.pdf> and BGS, World Mineral Production 2007-2011: <http://www.bgs.ac.uk/downloads/start.cfm?id=2701> (p. 47).

62 IGME, Mica (2011): <http://www.igme.es/internet/PanoramaMinero/actual/mica11.pdf> (p. 4-5).

63 USGS, Mica (2013): <http://minerals.usgs.gov/minerals/pubs/commodity/mica/mcs-2013-mica.pdf> (p. 105).

64 BGS, World Mineral Production 2007-2011: <http://www.bgs.ac.uk/downloads/start.cfm?id=2701> (p. 47).

## 4.1 Illegal mining means uncertain stats on India's production

According to the Indian Bureau of Mines (IBM), India produced 15.497 tonnes of mica in 2011-12.<sup>65</sup> BGS and USGS's estimates are somewhat lower, respectively 1.700 tonnes and 7.300 tonnes in 2011.<sup>66</sup> At the same time, IBM states that India's export of mica in 2001-12 was 131.777 tonnes.<sup>67</sup> This means that:

- India's export of mica in 2011-12 was eight times the officially stated amount.

The Indian Bureau of Mines states that India's mica production comes from 33 mines in the states of Andra Pradesh and Rajasthan, as well as a single mine in Bihar.<sup>68</sup> At the same time, Jharkhand's government remarks that the state is India's leading mica producer<sup>69</sup>. These discrepancies are due to the fact that the Indian government has prohibited the extraction of mica in Jharkhand and Bihar in the start of the '90s. The stated reasons for closing the mines go from issues with child labour to the protection of natural reserves, to conflicts with the local population about land rights and problems with the militant Maoist insurrectionalists who are active in the state.<sup>70</sup>

Jharkhand's local exporters of mica all agree that the number of legal mines in the area has dropped since the '90s. The mines' licences expired over time and now there are only a few left.<sup>71</sup> It is difficult to establish the precise number of legal mines left but the fact is that the extraction continues on a large scale and it also takes place in illegal mines.

### India and Jharkhand's exports

The exporters explain that the biggest buyers of mica in Jharkhand are Chinese companies, followed by European and North American companies and that the vast majority of the mica exported is used for cosmetics, car painting and electronics.<sup>72</sup> This is similar to the picture painted by IBM's data, stating that India exports for the 99% unrefined mica and that the main importers of Indian mica are China (54%), Belgium (8%), USA (5%), Japan (4%) and Germany (3 %).<sup>73</sup> According to Eurostat, the EU imported 23.330 tonnes unrefined mica from India in 2011, which accounts for about 18% of India's mica export.

65 Indian Minerals Yearbook 2012, Mica: [http://ibm.nic.in/IMYB\\_2012\\_Mica.pdf](http://ibm.nic.in/IMYB_2012_Mica.pdf) (p.36-4). NOTE: India's mineral statistics follow the financial year, which goes from 1st April to 31st March the following year.

66 USGS, 2011 Minerals yearbook, Mica: <http://minerals.usgs.gov/minerals/pubs/commodity/mica/myb1-2011-mica.pdf> (p. 49.12) and BGS, World Mineral Production 2007-2011: <http://www.bgs.ac.uk/downloads/start.cfm?id=2701> (p. 47).

67 Indian Minerals Yearbook 2012, Mica: [http://ibm.nic.in/IMYB\\_2012\\_Mica.pdf](http://ibm.nic.in/IMYB_2012_Mica.pdf) (p. 36-9). NOTE: the discrepancy cannot be explained by the country's import of mica.

68 Indian Minerals Yearbook 2012, Mica: [http://ibm.nic.in/IMYB\\_2012\\_Mica.pdf](http://ibm.nic.in/IMYB_2012_Mica.pdf) (p. 36-4)

69 Jharkhand Government, Mineral Resources: [http://www.jharkhand.gov.in/new\\_depts/mines/mines\\_fr.html](http://www.jharkhand.gov.in/new_depts/mines/mines_fr.html)

70 Mining Weekly (2012): <http://www.miningweekly.com/article/fears-of-child-labour-illegal-mining-preventing-resumption-of-indian-mica-mines-2012-12-03> and 09/12/13, Interview with Mr. Rajgarhia, son of the owner of ICR Mica. 11/12/13, Interview with P. K. Roy, Sales Manager of Ratan Mica Exports.

71 09/12/13, Interview with Rahul Modi, manager of Modi Mica Enterprises and owner of Sharda Mica Mining Co. 10/12/13, Interview with G. S. Rajgarhia, manager of ICR Mica. 11/12/13, Interview with P. K. Roy, Sales Manager of Ratan Mica Exports. 11/12/13, Interview with H. N. Bagaria, manager of Mount Hill's Industries. 08/12/13, Interview with exporter Lal Mohan Yadav, head of the 'purchasing department' of ALFA International.

72 09/12/13, Interview with Rahul Modi, manager of Modi Mica Enterprises and owner of Sharda Mica Mining Co. 09/12/12, Interview with Mr. Rajgarhia, son of the owner of ICR Mica. 11/12/13, Interview with P. K. Roy, Sales Manager of Ratan Mica Exports, 11/12/12, Interview with H. N. Bagaria, manager of Mount Hill's Industries.

73 Indian Minerals Yearbook 2012, Mica: [http://ibm.nic.in/IMYB\\_2012\\_Mica.pdf](http://ibm.nic.in/IMYB_2012_Mica.pdf) (p. 36-9)

- Most of India's mica is exported to China, followed by the EU.

According to Merck, mica from India has the specific properties needed to make high quality pigments.<sup>74</sup> But high quality mica can also be found in other countries and parts of the world. The global price of mica is hard to determine because its fluctuations are high and depend on many factors, such as quality and refinement.<sup>75</sup> However, according to IGME, mica from India is significantly cheaper than mica from, for example, the US.

- The price of the type of mica that is used in cosmetics is 600-900\$ (£357-535/437-656€) per tonne in India, while it would cost between 700-1300\$ (£416-773/510-947€) per tonne in USA.<sup>76</sup>

Denmark does not import mica directly from India<sup>77</sup> but as will be elucidated by the following paragraph, Indian mica does end up on Danish shelves in other ways: when Denmark imports mica in finished cosmetic products or half-refined products; for example, cosmetic preparations.

## **5 Beauty: a global market in constant growth**

Behind the make-up on the shelves of Danish shops there is a complex network of actors and ingredients, reaching all around the world. The cosmetics industry is dominated by a number of big international companies, the top 10 of which control 58% of the global market.<sup>78</sup> The industry also comprises countless middle-sized and small actors<sup>79</sup> and if we also consider the suppliers of ingredients the picture only gets more complicated. There is, in fact, an ocean of synthetic as well as natural ingredients in cosmetic products which are sold and distributed on a global scale.<sup>80</sup> Mica from India, the focus of this report, is but one of the ingredients to end up in well-known cosmetic products in Denmark through tortuous supply chains.

74 Merck, October 2013: Stakeholder Information on Mica Sourcing. (p. 2)

75 USGS, Mica (2013): <http://minerals.usgs.gov/minerals/pubs/commodity/mica/mcs-2013-mica.pdf> (p. 49)

76 IGME, Mica (2011) <http://www.igme.es/internet/PanoramaMinero/actual/mica11.pdf> (p. 6)

77 Eurostat 2013

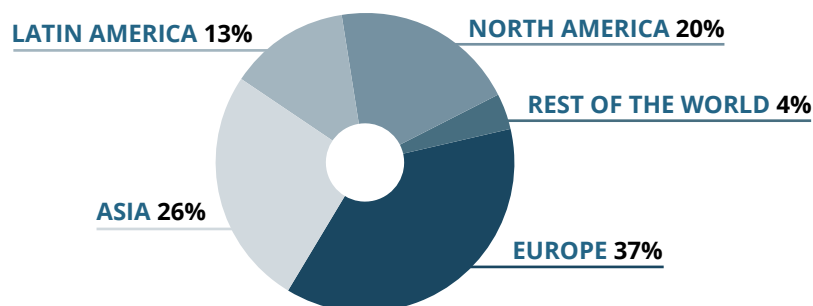
78 L'Oréal, Financial analysts meeting (2013): [http://www.loreal-finance.com/\\_docs/pdf/autres-evenements\\_PAI/2013/Capital-Market-Days\\_Zaumseil.pdf](http://www.loreal-finance.com/_docs/pdf/autres-evenements_PAI/2013/Capital-Market-Days_Zaumseil.pdf) (p. 10)

79 Global Insight (2007): [http://www.pedz.uni-mannheim.de/daten/edz-h/gdb/07/exec\\_summ\\_cosmetics\\_2007.pdf](http://www.pedz.uni-mannheim.de/daten/edz-h/gdb/07/exec_summ_cosmetics_2007.pdf) (p. 4, 8). Colipa annual report 2010: <https://www.cosmeticseurope.eu/publications-cosmetics-europe-association/annual-reports.html?view=item&id=75&catid=44> (p. 25)

80 IHS, Cosmetic Chemicals (2013): <http://www.ihs.com/products/chemical/planning/scup/cosmetic.aspx> (abstract) and CBI (2008) <http://www.cadexco.bo/actual/boletin-inteligencia/EI%20mercado%20de%20ingredientes%20naturales%20para%20cosmeticos%20en%20la%20UE.pdf> (p. 31)



## Global market for cosmetics



The cosmetics industry markets its products to a robust and growing global market with a yearly value of around 180 billion Euros and an average annual growth rate of about 4,5% over the past many years. Europe has the biggest regional market, followed by Asia and North America. In 2012, the European cosmetics market sales value was 72 billion Euros overall, while USA and Japan have for years housed the biggest national markets but sold for respectively 59 and 30 billion Euros. The market is predicted to keep growing, with huge potential in the newly flourishing markets of Asia and Latin America.<sup>81</sup>

### Carnauba wax and palm oil

Mica is not the only cosmetic ingredient to be produced in problematic circumstances. DanWatch has previously investigated carnauba wax and palm oil, both used in a wide range of cosmetics.

The glistening carnauba wax comes from carnauba palm, which only grows in North-Eastern Brazil. Here, the wax is gathered and refined by seasonal workers under unsafe circumstances which result in widespread work-related accidents and injuries.<sup>82</sup> DanWatch's contact in North-Eastern Brazil, Oscar Arruda d'Alva, reports in December 2013 that no action has been taken and there has been no change in the condition of the carnauba workers since DanWatch's investigation in 2010.<sup>83</sup>

- 81 L'Oréal Annual Report (2012): <http://www.loreal-finance.com/eng/annual-report> (p.17-19)  
Łopaciuk & Łoboda (2013), Global Beauty Industry Trends in the 21st century: <http://www.toknowpress.net/ISBN/978-961-6914-02-4/papers/ML13-365.pdf> (p. 1080), Nandu (2014) <http://www.slideshare.net/kondapallinandu/global-analysis-of-personal-care-industry#btnNext> (p. 13, 18). Cosmetics Europe Activity Report 2012: <https://www.cosmeticseurope.eu/publications-cosmetics-europe-association/annual-reports.html?view=item&id=91&catid=4> (p.18)
- 82 DanWatch article in Politiken (2010): <http://e-pages.dk/politikenannoncer/299/8> and DanWatch fact sheet on carnauba <http://www.ethicalconsumer.org/portals/0/downloads/carnaubawax.pdf>
- 83 11/12/13, E-mail correspondence with Oscar Arruda d'Alva, MA in Development and Environment and writer of "O Extrativismo da Carnaúba no Ceará", BNB, 2007

Palm oil is produced in tropical plantations and is one of the reasons behind the massive deforestation taking place in that region.<sup>84</sup> Furthermore, many aboriginal people's rights in lands like Malaysia, Liberia and the Philippines are not being respected.<sup>85</sup> DanWatch has researched the conditions in Indonesia, the world's biggest palm oil producer. Among other locations, DanWatch visited the inhabitants of the town of Muara Tae, who were being threatened to keep silent while the town's rainforest was being cut down for the plantation owners' profit.<sup>86</sup>

## 5.1 The 'natural': a vague concept on the rise

When an ingredient is described as natural, often it simply means that it occurs in nature.<sup>87</sup> It also means that the ingredient is obtained from the environment in which it naturally occurs, which involves, among other things, human labour; for example, the industry of mica mining in Jharkhand and Bihar, India.

The global cosmetics market is more and more oriented towards sustainability, green lifestyle choices and naturalness.<sup>88</sup> The market for natural cosmetics is growing steadily and in only two years, from 2008 to 2010, the number of natural and ecologic products being launched onto the European market has increased tenfold.<sup>89</sup> Amongst the brands DanWatch has investigated, 17 out of 20 market all of their make-up range or single products as natural or mineral (see attachment B). All of the brands sell make-up containing mica.<sup>90</sup>

Cosmetics for sale in the EU have to satisfy a number of conditions described in EU cosmetics regulations. There are, however, no legal requirements on the use of the word 'natural' in marketing, which means companies use it freely. Self-regulation is common and companies can voluntarily have their products certified by private certification schemes with more or less severe criteria.<sup>91</sup>

84 Greenpeace (2013), Certifying destruction: <http://www.greenpeace.org/seasia/Global/international/publications/forests/2013/Indonesia/RSPO-Certifying-Destruction.pdf>

85 Colchester & Chao (2013). Conflict or Consent?: <http://www.forestpeoples.org/sites/fpp/files/publication/2013/11/conflict-or-consentenglishlowres.pdf> (p. 7. 383)

86 Tænk, Hver tredje vare indeholder palmeolie (2012): [http://www.rspo.org/file/Denmark%20taenk\\_t134\\_009-WEB.pdf](http://www.rspo.org/file/Denmark%20taenk_t134_009-WEB.pdf)

87 SPT: <http://www.spt.dk/frame.cfm/cms/id=1059/sprog=1/grp=9/menu=5/>

88 Organic News community (2011): <http://oneco.biofach.de/en/news/international-natural-cosmetics-markets-stable-but-slightly-slower-growth-focus-97d62462-a8f2-4a5b-8194-ec5fc4508516/> and Fagbladet Kosmetik (2012): [http://www.fagbladetkosmetik.dk/dk/default.asp?filnavn=/dk/beautybusiness\\_naturkategoriens\\_vaekst.asp](http://www.fagbladetkosmetik.dk/dk/default.asp?filnavn=/dk/beautybusiness_naturkategoriens_vaekst.asp)

89 SOFW-Journal (2012): [http://www.personal-care.basf.com/docs/press\\_center/sowf\\_tensidsys\\_e?sfvrsn=0](http://www.personal-care.basf.com/docs/press_center/sowf_tensidsys_e?sfvrsn=0) (p. 44)

90 Cosmetics Analysis: <http://www.cosmeticanalysis.com/> plus info from the home page, ingredient lists and visit to the shop.

91 SPT: <http://www.spt.dk/frame.cfm/cms/id=1059/sprog=1/grp=9/menu=5/> and Tænk (2011): <http://taenk.dk/nyheder/tvivilsomt-indhold-i-oeko-kosmetik/velkommen-til-oekojunglen>

## 5.2 Natural ingredients' way to Denmark

Most natural ingredients in European cosmetics such as waxes, oils and plant extracts come from developing countries.<sup>92</sup> In the case of chemical ingredients, the picture is more complex, since there are countless companies supplying ecological and conventional ingredients for cosmetics.<sup>93</sup> When it comes to wholesale suppliers, the market is more concentrated because the wholesale business sits on big shares of the ingredients market.<sup>94</sup> This is also true for Indian mica, although mica is also produced in a number of other developing countries.

The cosmetics industry in Europe is the biggest in the world, according to the industry's trade association, Cosmetics Europe. The majority of the cosmetics produced are sold inside European borders but they are also increasingly being exported to other continents.<sup>95</sup> There is some cosmetics production occurring in Denmark but it is hard to quantify precisely the extent of manufacture. Some companies produce their own cosmetics, while others use external factories to produce their brand's cosmetics.<sup>96</sup> Parts of the products are made abroad and imported to Denmark by intermediaries, the companies themselves or retailers.

Every Dane spends an average of 1.643DKK (£179/220€) a year on cosmetics, which is the third highest consumption in Europe. Only 15% of these cosmetics are make-up products. The Danish cosmetics market has experienced a stronger growth than the retail market in general and consumption is expected to grow along the same lines in the next years.<sup>97</sup>

The cosmetics industry can typically be divided in two market segments: mass market and selective market.

The mass market comprises the most common and cheaper products which are sold, among other places, in supermarkets and grocery shops. The selective market encompasses the more expensive products, which are marketed as having a higher degree of quality and luxury. These products are principally sold in higher-end shopping centres such as Magasin and Illum, as well as dedicated shops such as Matas, beauty parlours and hairdressers' salons.<sup>98</sup>

DanWatch's investigation takes a look at the 10 best selling make-up brands in the selective market of Denmark in the following paragraph. 10 Danish brands that market themselves selectively are also part of the investigation.

92 CBI (2008): <http://www.cadexco.bo/actual/boletin-inteligencia/EI%20mercado%20de%20ingredientes%20naturales%20para%20cosmeticos%20en%20la%20UE.pdf> (p. 2)

93 IHS, Cosmetic Chemicals (2013): <http://www.ihs.com/products/chemical/planning/scup/cosmetic.aspx>

94 CBI (2008): <http://www.cadexco.bo/actual/boletin-inteligencia/EI%20mercado%20de%20ingredientes%20naturales%20para%20cosmeticos%20en%20la%20UE.pdf> (p. 31) and IHS, Cosmetic Chemicals (2013): <http://www.ihs.com/products/chemical/planning/scup/cosmetic.aspx>

95 Cosmetics Europe Activity Report 2012: <https://www.cosmeticseurope.eu/publications-cosmetics-europe-association/annual-reports.html?view=item&id=91&catid=44> (p. 20-21)

96 DanWatch's investigation of 16 cosmetics companies.

97 Matas Prospectus UK 2013: <http://globenewswire.com/news-release/2013/06/13/553835/0/en/Matas-publishes-prospectus.html> (p. 58-59).

98 Matas Prospectus UK 2013: <http://globenewswire.com/news-release/2013/06/13/553835/0/en/Matas-publishes-prospectus.html> (p. 59, 62)

## 6 Cosmetic companies' CSR policies and standards in Denmark

To determine whether Indian mica ends up in make-up on Danish shelves and clarify how the companies act in terms of social responsibility, DanWatch has researched 16 cosmetics companies which market, in all, 20 brands in Denmark. These include the 10 best selling brands in the more expensive range of make-up brands, all of them internationally founded<sup>99</sup>, together with 10 minor brands based in Denmark or founded by Danes. All of the 20 companies market make-up containing mica.<sup>100</sup>

Within the cosmetics industry, we can encounter different narratives about social responsibility. Besides 'naturalness', there are for example statements purporting an interest in ecology, animal welfare, biodiversity, climate impact and life-cycle analysis, as well as charity projects of different kinds. DanWatch's research is mainly concerned with statements and standards directly related to either child labour or transparency in the company's supply chain.

### International CSR standards

Some of the companies refer to a number of internationally recognised standards prohibiting child labour, or demand transparency regarding the company's supply chain. The standards can be described as follows:

- **The UN's Global Compact** is a voluntary initiative promoting companies' social responsibility. The Compact includes 10 principles built on the UN's Universal Declaration of Human Rights, ILO's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and UN's Convention Against Corruption.<sup>101</sup> The Compact also includes a policy on transparency and control of companies.<sup>102</sup>
- **The International Labour Organization (ILO)** is a specialised UN agency dealing with labour rights. ILO's fundamental conventions deal, among other subjects, with the elimination of child labour, as stated in C138 on working age and C182 on the worst forms of child labour.<sup>103</sup>

99 SPT (2012). Industry statistics 2012: [http://www.spt.dk/items/PDFalle/statistik\\_kosmetik/Branchestatistik\\_2012\\_helaar.pdf](http://www.spt.dk/items/PDFalle/statistik_kosmetik/Branchestatistik_2012_helaar.pdf)

100 Cosmetics Analysis: <http://www.cosmeticanalysis.com/> plus info from the home page, ingredient lists and visit to the shop.

101 UN Global Compact, The Ten Principles: <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>

102 UN Global Compact, overview (2013): <http://www.unglobalcompact.org/AboutTheGC/index.html>

103 ILO, Conventions: [http://www.ilo.org/dyn/normlex/en/f?p=1000:12000:4066520009804159:::P12000\\_INSTRUMENT\\_SORT:1](http://www.ilo.org/dyn/normlex/en/f?p=1000:12000:4066520009804159:::P12000_INSTRUMENT_SORT:1)



- **The UN's Universal Declaration of Human Rights** was adopted by the UN's general assembly in 1948. The Declaration establishes, among other things, that every person has a right to fair and favourable wages which can ensure the person and their family a meaningful and worthy existence.<sup>104</sup>
- **The OECD Guidelines for Multinational Enterprises** include a number of principles to be practiced by responsible companies regarding working conditions, human rights and transparency.<sup>105</sup> The guidelines also dictate that the companies must participate in the effort to eliminate the worst forms of child labour<sup>106</sup> and they must provide correct and detailed information on all relevant questions regarding the company's activities, structure, financial situation, performance, ownership and leadership. Information about the whole of the company and, if necessary, specific to certain areas and geographical regions in which the company operates, must be public.<sup>107</sup>
- **The California Transparency in Supply Chain Act** is a Californian law which obliges companies to make public their efforts to stop slavery and human traffic. The law applies to companies with net revenue of over \$100 million and over \$500.000 in California. The law does not demand that efforts are made but that there is transparency on several points, among which are checks on suppliers.<sup>108</sup>
- **Fair Trade International** is an organisation working for better commercial deals for farmers and workers. The organisation can release a fair trade certification, which does however not cover mica.<sup>109</sup> Fair Trade International wants to eradicate the roots of child labour and their certification forbids child labour as defined by ILO conventions.<sup>110</sup>
- 'Fair trade' is also a term used in common parlance, without it referring to specific standards.

104 UN, The Universal Declaration of Human Rights, article 23: <http://www.un.org/en/documents/udhr/index.shtml>

105 OECD, about the Guidelines for Multinational Enterprises: <http://mneguidelines.oecd.org/about/> and [http://mneguidelines.oecd.org/MNEguidelines\\_RBCmatters.pdf](http://mneguidelines.oecd.org/MNEguidelines_RBCmatters.pdf) (p. 10-11)

106 OECD Guidelines for Multinational Enterprises (2011): <http://www.oecd.org/daf/inv/mne/48004323.pdf> (p. 35)

107 OECD Guidelines for Multinational Enterprises (2011): <http://www.oecd.org/daf/inv/mne/48004323.pdf> (p. 27)

108 The National Law Review (2011): <http://www.natlawreview.com/article/california-s-transparency-supply-chains-act>

109 Fair Trade International: <http://www.fairtrade.net/361.html>

110 Fair Trade International, Child Labour: <http://www.fairtrade.net/child-labour.html>

### **An organisation for responsible purchase of natural cosmetics ingredients**

4 of the 16 companies that have been investigated are members of the Natural Resources Stewardship Circle (NRSC).<sup>111</sup> The organisation was founded by the cosmetic industry in 2008 to promote the sustainable purchase of raw materials.<sup>112</sup> NRSC's basic principles are along the lines of the UN's Convention on Biological Diversity. The organisation does not have any control mechanisms. It is built on 'personal' commitment by the members of the organisation to create guidelines and models that can serve as 'best practices'.<sup>113</sup> One of the organisation's principles is to raise consciousness on social responsibility along the whole supply chain, including by making raw materials fully traceable.<sup>114</sup>

## **6.1 Cosmetic companies' stance on child labour**

DanWatch's investigation of 16 companies was comprised of the following questionnaires. The questionnaires include the following information, from the company's home pages:

- standards on child labour.
- standards on supply chain transparency.

Moreover, the questionnaires contain the company's response to:

- where they get their mica from.
- the documentation provided by DanWatch about the fact that child labour is widespread in Eastern Indian mica extraction.

111 NRSC members: <http://www.nrsc.fr/membership-list/>

112 NRSC Members and Governance: <http://www.nrsc.fr/members-governance/>

113 NRSC mission: <http://www.nrsc.fr/our-mission/> and NRSC Resolution (2008): <http://www.nrsc.fr/wp-content/uploads/RESOLUTION-TEXT-22-oct-2008-modified-2013.pdf> (p. 2)

114 NRSC Guidelines (2010): [http://www.nrsc.fr/wp-content/uploads/2012/01/Officiel\\_Nrsc\\_Guideline.pdf](http://www.nrsc.fr/wp-content/uploads/2012/01/Officiel_Nrsc_Guideline.pdf) (p. 2)



**Tromborg is a Danish cosmetics company.<sup>115</sup>**

- Standards - child labour: No info on website.
- Standards - supply chain transparency: No info on website.

Response: *"We produce and manufacture our products only through work performed by adults. We have our own factory in Denmark. For your further information, the mica we use in our production does NOT come from India, but, without revealing too much, from a mine in the US".<sup>116</sup>*



**Urtegården is a Danish company that sells, among other products, do-it-yourself make-up.<sup>119</sup>**

- Standards - child labour: No info on website.
- Standards - supply chain transparency: No info on website.

Response: *"We do not reveal information regarding our suppliers, who furthermore can vary from time to time, since we have several choices for almost all of our products."<sup>120</sup>*



**GOSH Cosmetics by E.Tjellesen is a Danish-based cosmetics company.<sup>124</sup>**

- Standards - child labour: No info on website.
- Standards - supply chain transparency: No info on website.

Response: GOSH does not disclose where the company gets its mica from, but writes that the company can *"confirm that all the suppliers we use have a policy on no illegal mica and no child labour. All except one also describe the conditions they have in place to assure that our requirements are met."*<sup>125</sup> (See attachment D)



**Kosmolet is a Danish cosmetics company which owns Nilens Jord and Organiqs.<sup>117</sup>**

- Standards - child labour: No info on website.
- Standards - supply chain transparency: No info on website.

Response: *"For now, I must politely decline to participate further, because the following questions regarding our suppliers are regarded as confidential information."<sup>118</sup>*



**The Green People Company Ltd. is a UK-based company founded by Danish-born Charlotte Vøhtz.<sup>121</sup>**

- Standards - child labour: "We use Fair Trade ingredients where possible."<sup>122</sup>
- Standards - supply chain transparency: No info on website.

Response: *"The mica used in the production of all Green People colour cosmetics comes from Malaysia, and not from India."<sup>123</sup>* Green People also sent DanWatch a document from the manufacturer of the brand's products, confirming that no child labour is involved in the extraction or processing of mica (see attachment C).



**INK by Dennis Knudsen is founded by Dennis Knudsen and produced by Tjellesen A/S.<sup>126</sup>**

- Standards - child labour: No info on website.
- Standards - supply chain transparency: No info on website.

Response: *"It's not that I don't want to, but we simply are too busy for me to be able to answer right now."<sup>127</sup>*

115 Tromborg: [http://www.tromborg.com/om\\_tromborg/](http://www.tromborg.com/om_tromborg/)

116 17/01/14, E-mail correspondence with Marianne Tromborg, CEO & Founder.

117 Kosmolet, Nilens Jord and Organiqs: <http://kosmolet.dk/>

118 04/11/13, E-mail correspondence with Susan Pedersen, Kosmolet A/S.

119 Urtegården: <http://www.urtegaarden.dk/>

120 04/11/13, E-mail correspondence with Vibeke Estrup, Produktspecialist, Urtegården ApS.

121 Green People: <http://www.greenpeople.dk/firmaprofil.html>

122 Green People: <http://www.greenpeople.dk/questions.html#231> and <http://www.greenpeople.dk/questions.html#151>

123 31/01/14, E-mail correspondence with Ian Taylor, Operations Manager, Green People.

124 GOSH: <http://www.gosh.dk>

125 06/02/14, E-mail correspondence with Signe Westermann, Regulatory & Research Scientist, R&D & QA/QC Department, GOSH Cosmetics by E. Tjellesen A/S.

126 Dennis Knudsen: <http://www.dennisknudsen.dk/forside/>

127 18/11/13, E-mail correspondence with Ida Heuser, Dennis Knudsen.dk ApS.



signify me by gitte

**Profmakeup is a Danish cosmetics company founded by Gitte Lindgren, who also created the make-up brand Signify me by Gitte.**<sup>128</sup>

- Standards - child labour: No info on website.
- Standards - supply chain transparency: No info on website.

Response: Gitte Lindgren tells that the company's make-up is produced by an Italian company, which name she cannot make public for competition reasons. She states that this producer's main supplier of natural ingredients, including mica, is Brenntag.<sup>129</sup>



**Kjær Weis is a cosmetics company based in New York, founded by Danish-born Kirsten Kjær Weis.**<sup>130</sup>

- Standards - child labour: No info on website.
- Standards - supply chain transparency: No info on website.

Response: The Danish brand manager for Kjær Weis writes: *"I have contacted Kirsten, but she has been travelling and has so many projects, and at the present moment she regrettably does not have the time to reply to this."*<sup>131</sup>



**Zenz is a Danish hairdresser chain selling the brand Zenz Mineral Makeup.**<sup>132</sup>

- Standards - child labour: No info on website.
- Standards - supply chain transparency: No info on website.

Response: Zenz states that their make-up is produced by an external manufacturer. This manufacturer cannot reveal its suppliers *"because it's a trade secret."*<sup>133</sup>

## Companies behind the 10 best selling make-up brands in Denmark<sup>134</sup>

### Makeup 2012

	Brand	Turnover (in thousands)	Growth %	Number of Doors
1	Lancôme	45.137	22%	326
2	Clinique	45.126	31%	289
3	Christian Dior	34.786	12%	240
4	Chanel	23.435	-3%	194
5	Estée Lauder	16.013	1%	172
6	Helena Rubinstein	14.581	17%	124
7	Clarins	11.427	8%	275
8	Yves Saint Laurent	10.448	35%	111
9	Yves Rocher	8.579	-4%	-
10	Elizabeth Arden	7.893	-12%	144
	<b>Total</b>	<b>232.556</b>	<b>13%</b>	
	<b>Like-for-like</b>		<b>13%</b>	

128 Signify me by Gitte: <http://www.profmakeup.com/om-makeup-artist-gitte-lindgren>

129 04/11/13, E-mail correspondence with Gitte Lindgren.

130 Kjær Weis: <http://kjaerweis.com/shop/story-behind>

131 16/12/13, E-mail correspondence with Annemarie Brink Bruun, Brand Manager, Spa Supply A/S.

132 Zenz: <http://www.zenz.dk/> and <http://zenzshop.dk/>

133 06/11/13, E-mail correspondence with Heidi Kauffmann, Zenz.

134 SPT (2012), Industry statistics 2012: [http://www.spt.dk/items/PDFalle/statistik\\_kosmetik/Branchestatistik\\_2012\\_helaar.pdf](http://www.spt.dk/items/PDFalle/statistik_kosmetik/Branchestatistik_2012_helaar.pdf)





#### L'Oréal owns Lancôme, Helena Rubinstein and Yves Saint Laurent Beauty.<sup>135</sup>

- Standards - child labour: L'Oréal is a member of the UN's Global Compact<sup>136</sup>. The company expects that its suppliers respect the ILO Conventions as well as local law.
- Standards - supply chain transparency: L'Oréal is a member of the UN's Global Compact.

Response: None



#### LVMH Group owns Christian Dior.<sup>142</sup>

- Standards - child labour: LVMH is a member of the UN Global Compact.<sup>143</sup> The group's Code of Conduct of Suppliers states that it complies with ILO conventions, the UN's Universal Declaration of Human Rights, the OECD guiding principles<sup>144</sup> and the UN Global Compact. It is also stated: "Child Labor: Work by children under the age of 15 is strictly prohibited."<sup>145</sup>
- Standards - supply chain transparency: LVMH is a member of the UN Global Compact.<sup>146</sup> The group's Code of Conduct of Suppliers states that it complies with ILO conventions.<sup>147</sup>

Response: None.



#### Estée Lauder Companies owns Estée Lauder and Clinique.<sup>137</sup>

- Standards - child labour: Estée Lauder Companies commits to respecting the UN's Universal Declaration of Human Rights and is a member of the Resources Stewardship Circle.<sup>138</sup>
- Standards - supply chain transparency: Estée Lauder Companies commits to upholding the California Transparency in Supply Chains Act and is a member of the Natural Resources Stewardship Circle.<sup>139</sup>

Response: When contacted, Estée Lauder Denmark referred us to its CSR report.<sup>140</sup>

#### Estée Lauder's efforts in India's mica region

Estée Lauder writes in its CSR report that the firm works to end child labour in the Indian mica industry. It collaborates with the Indian children's rights organisation Bachpan Bachao Andolan (BBA) and therefore supports projects for clean drinking water, education and bicycles for children as well as contributing to BBA's administrative expenses. Estée Lauder also backs BBA's efforts to raise the adult mica gatherers' income so they can afford to send their children to school. Estée Lauder writes in its CSR report that the company is the co-creator of 60 'child-friendly' towns and that they consciously continue to buy mica from India because they see the chance they can improve the condition of mica mining communities.<sup>141</sup>

<sup>135</sup> L'Oréal, Brands: <http://www.loreal.com/brands/brands-homepage.aspx>

<sup>136</sup> UN Global Compact, L'Oréal: <http://www.unglobalcompact.org/participant/5978-L-Oreal>

<sup>137</sup> Estée Lauder, Clinique: <http://www.elcompanies.com/Pages/Clinique.aspx>

<sup>138</sup> Estée Lauder CSR report 2012: <http://www.elcompanies.com/PdfLibrary/2012%20ELC%20CR%20Report%20-%20The%20Beauty%20of%20Responsibility.pdf> (s.8).

<sup>139</sup> Estée Lauder CSR report 2012: <http://www.elcompanies.com/PdfLibrary/2012%20ELC%20CR%20Report%20-%20The%20Beauty%20of%20Responsibility.pdf> (s.8).

<sup>140</sup> 06/11/13, E-mail correspondence with Vibeke Fabricius, Nordic Consumer Communication Consultant, Estée Lauder Companies.

<sup>141</sup> Estée Lauder CSR report 2012: <http://www.elcompanies.com/PdfLibrary/2012%20ELC%20CR%20Report%20-%20The%20Beauty%20of%20Responsibility.pdf> (s.60) and 09/01/14, phone interview with BBA's national project manager Mohammad Salam Khan.

<sup>142</sup> LVMH, Dior: <http://www.lvmh.com/the-group/lvmh-companies-and-brands/perfumes-cosmetics/parfums-christian-dior>

<sup>143</sup> UN Global Compact, LVMH: <http://www.unglobalcompact.org/participant/6232-LVMH>

<sup>144</sup> OECD has a long list of guidelines and it does not appear clear which 'guiding principles' are being referred to here. It is likely that LVMH refers to the OECD Guidelines for Multinational Enterprises, since these guidelines are meant for multinational companies.

<sup>145</sup> LVMH Suppliers Code of Conduct: <http://www.lvmh.com/uploads/assets/Com-fi/Documents/en/Governance/LVMH-Suppliers-code-of-conduct.pdf> (p. 1)

<sup>146</sup> UN Global Compact, LVMH: <http://www.unglobalcompact.org/participant/6232-LVMH>

<sup>147</sup> LVMH Suppliers Code of Conduct: <http://www.lvmh.com/uploads/assets/Com-fi/Documents/en/Governance/LVMH-Suppliers-code-of-conduct.pdf> (p. 1)



### Chanel

- Standards - child labour: Chanel is a member of the Natural Resources Stewardship Circle<sup>148</sup> and writes on its website: "Chanel is committed to fair employment practices and the upholding of human rights. Chanel will continue to take all appropriate measures to prevent human rights violations (including slavery and human trafficking) in its supply chains."<sup>149</sup>
- Standards - supply chain transparency: Chanel is a member of the Natural Resources Stewardship Circle<sup>150</sup> and refers to the California Transparency in Supply Chain Act, without stating explicitly that it complies with this law.<sup>151</sup>

Response: None.



### Yves Rocher

- Standards - child labour: Yves Rocher is a member of the Natural Resources Stewardship Circle.<sup>155</sup>
- Standards - supply chain transparency: Yves Rocher is a member of the Natural Resources Stewardship Circle.<sup>156</sup>

Response: Yves Rocher explains that the company gets its mica from India and the US. The company is aware of the social issues in connection with mica production in India. Therefore, they work with the aforementioned NGO BBA on social projects in India (see attachment E).

## CLARINS

### Clarins

- Standards - child labour: Clarins is a member of the Natural Resources Stewardship Circle<sup>152</sup> and writes on its home page: "Clarins combines the purchase of raw materials with helping local populations by paying a fair price, developing community infrastructures and sharing knowledge."<sup>153</sup>
- Standards - supply chain transparency: Clarins is a member of the Natural Resources Stewardship Circle.<sup>154</sup>

Response: None

## Elizabeth Arden

### Elizabeth Arden

- Standards - child labour: Elizabeth Arden is working on developing a sustainable vision at the moment.<sup>157</sup>
- Standards - supply chain transparency: No info on website.

Response: "We do not wish to take part in your survey."<sup>158</sup>

148 NRSC members: <http://www.nrsc.fr/membership-list/>

149 Chanel, Q&A, What is Chanel's responsibility regarding its supply chain?: [http://www.chanel.com/en\\_US/fragrance-beauty/FAQ-28105](http://www.chanel.com/en_US/fragrance-beauty/FAQ-28105)

150 NRSC members: <http://www.nrsc.fr/membership-list/>

151 Chanel, Q&A, What is Chanel's responsibility regarding its supply chain?: [http://www.chanel.com/en\\_US/fragrance-beauty/FAQ-28105](http://www.chanel.com/en_US/fragrance-beauty/FAQ-28105)

152 NRSC, members: <http://www.nrsc.fr/membership-list/>

153 Clarins, Raw materials: [http://www.clarins.co.uk/on/demandware.store/Sites-clruk-Site/en\\_GB/Clarins-WhyClarins?cid=why\\_clarins-commitment\\_responsability-responsible\\_actions-raw\\_materials](http://www.clarins.co.uk/on/demandware.store/Sites-clruk-Site/en_GB/Clarins-WhyClarins?cid=why_clarins-commitment_responsability-responsible_actions-raw_materials)

154 NRSC, members: <http://www.nrsc.fr/membership-list/>

155 NRSC, members: <http://www.nrsc.fr/membership-list/>

156 NRSC, members: <http://www.nrsc.fr/membership-list/>

157 Elizabeth Arden: <http://corporate.elizabetharden.com/sustainability/>

158 28/11/13, E-mail correspondence with Mette Kleberg, Nordic Business Unit Manager, Elizabeth Arden.

### Contact difficulties

It has not been possible for DanWatch to get in touch with LVMH, Chanel or Clarins by phone or e-mail. The three companies do not have local departments in Denmark who can facilitate contact with someone from the organisation having the competence to make statements on the company's CSR policies. DanWatch has tried to contact the companies through their official contact phone numbers, but at LVMH the personnel is not authorised to facilitate contact, at Chanel there is consistently no one to answer the phone, and at Clarins it was not possible to speak to a responsible of CSR despite countless forwardings.

## The companies' CSR policy and practice regarding mica

There seems to be a tendency differentiating the bigger international companies from the smaller Danish companies. 6 out of 7 international companies refer to international standards or organisations which require supply chain transparency or combating child labour, while only one of the Danish companies does that. Several of the Danish companies have statements regarding social responsibility on their homepages but only one of them features a clear statement regarding supply chain transparency or its stance on child labour.

Despite the international companies' policies on child labour, only 2 out of 7 firms have given DanWatch information on their practices regarding the purchase of the natural ingredient mica. Of the Danish companies, 2 out of 9 told DanWatch where their mica comes from, while 1 has revealed that the company's supplier has a policy forbidding illegal mica and child labour.

2 out of 16 companies explain that they have practical initiatives to combat child labour in India, while 2 out of 16 guarantee to DanWatch that their products are not produced through child-labour in Jharkhand and Bihar's mica industry.

## Bilag A

Dear Mrs. Lendal,

Please find below Henkel & Schwarzkopf's response to the items you have stated below concerning cosmetic use of mica.

*"In our Social Standards as well as a member of the United Nation's Global Compact we have committed to the effective prevention of child labor. Said commitment forms a fundamental part of our company policy. It is therefore that we observe the discussion on child labor being involved in the exploitation of mica with great concern since a number of years. As a result, we regularly review our direct suppliers of color pigments that contain mica to supply documentary evidence that they do not purchase or process mica from provinces in India that are mentioned in the context of child labor. In the last review the companies in question were able to fulfill our respective binding Purchasing Standards to our satisfaction. However, given the most recent report from the Danish NGO, we will ask our suppliers to re-confirm that the color pigments they are supplying to us are free from any mica that is collected by using child labor. Depending on the outcome of our inquiry, we may reconsider the business relationship."*

Best regards,  
/Mats Hagwall

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Mats Hagwall  
SHEQ & External Affairs Manager

Henkel Beauty Care/  
Henkel Laundry & Home Care/  
Henkel Adhesive Technologies

Henkel Norden AB  
Phone: [+46 10 480 7500](tel:+46104807500)  
Direct: [+46 10 480 7543](tel:+46104807543)  
SMS: [+46 70 373 3831](tel:+46703733831)  
Fax: [+46 10 480 7764](tel:+46104807764)  
[mats.hagwall@henkel.com](mailto:mats.hagwall@henkel.com)  
[www.henkel.se](http://www.henkel.se)



## Bilag B

Danske varemærker	Udsagn vedrørende naturlighed
Tromborg	"Økologisk og naturlig · Balance between beauty & nature" <sup>1</sup>
Nilens Jord	"Naturlige mineraler: <i>natural mineral powder</i> , <i>natural mineral foundation</i> , <i>naturlig mineral øjenskygge</i> " <sup>2</sup>
Organiqs	"Organiqs make-up er en skøn serie af produkter baseret på de bedste råvarer fra naturen, forenet med en økologisk tankegang" <sup>3</sup> .
Urtegården	"Vores mål er at forhandle og anvende så rene og naturlige råvarer til slik og kosmetik som muligt" <sup>4</sup>
Green People	"Green People's nye make-up er naturlig og økologisk certified af EcoCert. Vores make-up indeholder de mest udsøgte økologiske planteekstrakter og naturlige mineralske råvarer" <sup>5</sup>
GOSH	<i>Natural Touch Foundation</i> : Mineral pigments contribute to the natural effect <sup>6</sup> <i>Mineral Waterproof Eyeshadow</i> . <sup>7</sup> <i>Mineral Colour pigments</i> <sup>8</sup> . <i>Natural Blush Box</i> : contains mica and ultra fine powder particles for a smooth, flawless and silky application and a beautiful, natural finish <sup>9</sup> .
INK by Dennis Knudsen	"INK serien har i hvert produkt en økologisk ingrediens og for denne produktserie vægtes naturlige ingredienser og naturlige aktiver højere." <sup>10</sup>
Signify me by Gitte	"Signify me makeup er: Baseret på naturlige ingredienser og mineralske farvestoffer" <sup>11</sup>
Kjær Weis	"Kjær Weis cosmetics have been created from the highest quality natural and organic materials, sourced from around the world. Raw substances and natural preservatives have been extracted from minerals, plants and wildflowers specifically chosen for their color, scent and affinity with the skin." <sup>12</sup>
Zenz	"Zenz mineral makeup - professionel makeup baseret på rene mineraler" <sup>13</sup>

<sup>1</sup> Tromborg: [http://www.tromborg.com/om\\_tromborg/](http://www.tromborg.com/om_tromborg/)

<sup>2</sup> Nilens Jord: [http://nilensjord.dk/index.php?option=com\\_wimo&view=browse&selectionId=99909&menuid=0555555&Itemid=206&cat=minerals&lang=dk](http://nilensjord.dk/index.php?option=com_wimo&view=browse&selectionId=99909&menuid=0555555&Itemid=206&cat=minerals&lang=dk)

<sup>3</sup> Organiqs: <http://organiqs.dk/dk/>

<sup>4</sup> Urtegården: <http://www.urtegaarden.dk/om-urtegaarden/maal--metode.aspx>

<sup>5</sup> Green People: <http://www.greenpeople.dk/make-up.html>

<sup>6</sup> GOSH: <http://gosh.ie/item.php?id=33&cat=19&sub=46&category=Face>

<sup>7</sup> GOSH: <http://gosh.ie/products.php?cat=20&sub=73&category=Eyes>

<sup>8</sup> GOSH: <http://gosh.ie/item.php?id=196&cat=20&sub=53&category=Eyes>

<sup>9</sup> GOSH: <http://gosh.ie/item.php?id=34&cat=19&sub=51&category=Face>

<sup>10</sup> 05/11/13 mailkorrespondance med Signe Westermann, Regulatory & Research Scientist, R&D & QA/QC Department, GOSH Cosmetics by E.Tjellesen A/S

<sup>11</sup> Signify me by Gitte: <http://www.profmakeup.com/vores-makeup-brand-signify-me-unlimited-by-gitte>

<sup>12</sup> Kjær Weis, Ingredienser: <http://kjaerweis.com/shop/ingredients/>

<sup>13</sup> Zenz: <http://zenzshop.dk/>

Internationale varemærker	Udsagn vedrørende naturlighed
Lancôme	<i>Teint Idole Silky Mat</i> : Ultra flydende mineral foundation med med naturlig dækkeevne. <sup>14</sup> <i>Star Bronzer Minéral Mat</i> : Den unikke kombination af mineralske pigmenter og absorberende mikrokugler sikrer, at huden bliver varigt udglattet og perfekt mat. <sup>15</sup>
Helena Rubenstein	-
Yves Saint Lauder	-
Estée Lauder	<i>Mineral Rich Loose Powder Makeup</i> : Everything you want mineral makeup to be. <sup>16</sup>
Clinique	<i>Naturally Glossy Mascara</i> . <i>Redness Solutions Instant Relief Mineral Pressed Powder</i> <sup>17</sup> .
Christian Dior	Since 2005, Diorskin nude has celebrated the skin's own natural glow with makeup products composed by natural ingredients <sup>18</sup> .
Chanel	-
Clarins	Mineral Powder Compact:: The "Shine-Stopper" complex combines the benefits of plants and purity of minerals to instantly matify the complexion, control shine and help tighten pores. <sup>19</sup> <i>Bronzing Duo SPF 15 Mineral Powder Compact</i> ::The formula combines the benefits of plants with the purity of minerals to blend perfectly on skin <sup>20</sup> . <i>Eye Quartet Mineral Palette</i> : Highly concentrated in mineral pigments, these eye shadows light up all eyes <sup>21</sup> .
Yves Rocher	Mineral makeup fra Yves Rocher består 100% af ingredienser af naturlig oprindelse <sup>22</sup>
Elizabeth Arden	<i>Pure Finish Mineral makeup Set</i> : Nothing is more seductive than bare, sun-kissed skin. Nothing feels more natural than pure microlight minerals. Get a fresh-ground natural glow with <i>Pure Finish Mineral Bronzing Powder</i> , filled with minerals, mica, sea water complex, aloe, and Vitamins A, C, and E. <sup>23</sup>

<sup>14</sup> Lancôme: <http://www.lancome.dk/da/dk/makeup/ansigtsmakeup/foundation/teint-idole-silky-mat-010062.aspx>

<sup>15</sup> Lancôme: <http://www.lancome.dk/da/dk/makeup/solmakeup/ansigt-og-krop/star-bronzer-mineral-mat-14102p.aspx>

<sup>16</sup> EstéeLauder: <http://www.esteelauder.co.uk/product/644/9512/Product-Catalog/Makeup/Face/Powders/Double-Wear-Mineral-Rich/Loose-Powder-Makeup-SPF12/index.tmp>

<sup>17</sup> Clinique: <http://www.clinique.com/product/1692/12934/Skincare/Redness/Treat/Redness-Solutions-Instant-Relief-Mineral-Pressed-Powder/index.tmp>

<sup>18</sup> Christian Dior: [http://www.dior.com/magazine/be\\_en/News/Beauty-Bared](http://www.dior.com/magazine/be_en/News/Beauty-Bared)



<sup>19</sup> Clarins: [http://int.clarins.com/Ever-Matte-Mineral-Powder-Compact/C050103012.en.pd.html?dwvar\\_C050103012\\_color=00%20Transparent%20opal&start=4](http://int.clarins.com/Ever-Matte-Mineral-Powder-Compact/C050103012.en.pd.html?dwvar_C050103012_color=00%20Transparent%20opal&start=4)


<sup>20</sup> Clarins: [http://int.clarins.com/Bronzing-Duo-SPF-15-Mineral-Powder-Compact/C050106027.en.pd.html?dwvar\\_C050106027\\_color=01%20light&start=7](http://int.clarins.com/Bronzing-Duo-SPF-15-Mineral-Powder-Compact/C050106027.en.pd.html?dwvar_C050106027_color=01%20light&start=7)

<sup>21</sup> Clarins: [http://int.clarins.com/Eye-Quartet-Mineral-Palette%2%A0/C050202017.en.pd.html?dwvar\\_C050202017\\_color=01%20pastels&start=5](http://int.clarins.com/Eye-Quartet-Mineral-Palette%2%A0/C050202017.en.pd.html?dwvar_C050202017_color=01%20pastels&start=5)

<sup>22</sup> Yves Rocher, mineral makeup: <http://www.yves-rocher.dk/control/rouge-3/>

<sup>23</sup> Elizabeth Arden: [http://www.elizabetharden.com/Pure-Finish-Mineral-Bronzing-Powder/1002PUFC401.default.pd.html?dwvar\\_1002PUFC401\\_color=caa17c&start=1&q=mineral&navid=search](http://www.elizabetharden.com/Pure-Finish-Mineral-Bronzing-Powder/1002PUFC401.default.pd.html?dwvar_1002PUFC401_color=caa17c&start=1&q=mineral&navid=search)

  
  
  
July 22, 2009

  
Dear Sir,

Further to your enquiry regarding the origin of the processed mica sold by us to your company, we would like to confirm the following :


1. We require that all our mica sources issue statements that no child labour, bonded labour or slave labour has been employed in the mining, packing or transportation of the mica they supply.
2. At reasonable intervals, we inspect our supplier's mines and have found no child labour to be employed.

We support any efforts to ensure that no child labour, bonded labour or slave labour arise in the industry and will continue to regularly audit our supply sources.

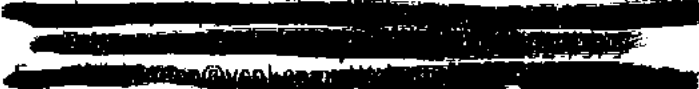
Please do not hesitate to contact us if you have any additional questions at this time.

Thank you and regards,

*Ratna N. Singh*

  
Director





## Bilag D

Jeg har nu haft gang i en undersøgelse af den mica som bruges i vores produkter og kan nu bekræfte at samtlige leverandører vi benytter har en politik om ingen ulovlig mica og ingen børnearbejde. Alle undtage én beskriver også hvilke tiltag de har for at sikre, at deres karv om dette også overholdes. Dertil har flere af leverandørerne kontakt med de lokalområder, hvor den mica de køber bliver udvundet, og i nogle tilfælde bidrager de med donationer til skoler, undervisning og andet til gavn for de lokale.

Skal vi hos GOSH Cosmetics engang i fremtiden finde en ny leverandør af mica eller have en anden type mica fra en leverandør vi ikke i dag benytter, vil ulovlig mica og børnearbejde være noget vi vil være ekstra opmærksomme på. Hertil vil jeg lige nævne, at GOSH Cosmetics altid har haft en politik om at vores råvarer ikke må være tilvejebragt ved ulovligheder og udnyttelse af menneskelige ressourcer. I denne forbindelse dækker udnyttelse over, hvad der ikke anses for arbejde under regulerede forhold og arbejdstider.

[...]

Med venlig hilsen / Best regards

**Signe Westermann**

Regulatory & Research Scientist

R&D & QA/QC Department

**GOSH Cosmetics**

by E.Tjellesen A/S

Engmosen 1, Vassingerød

DK-3540 Lynge

Phone: +45 45 81 82 88

Fax: +45 45 81 83 47

E-mail: [siw@gosh.dk](mailto:siw@gosh.dk)



## Bilag E

Kære DanWatch,

Jeres henvendelse angående anvending af ingrediensen MICA har vakt vores opmærksomhed og vi har læst resultaterne af undersøgelsen.

Da spørgsmålet er vigtigt for os vil vi gerne viderebringe følgende oplysninger om anvendning af denne ingrediens i vores virksomhed.

Vi vil gerne informere dig yderligere om dette:

Vores brug af mica svarer til mindre end 0,0009 %\* af den globale produktion i 2011. Mere end 90 % er forbeholdt brugen inden for elektronik- og el-branchen.

Vi foretrækker brugen af naturlig mica frem for syntetisk, fordi de skønhedsmæssige fordele og kvaliteter er væsentligt højere. Mica bruges i vores makeup-produkter pga. den skinnende og « glimtende » effekt i øjenskygger, puddere og læbestifter. Vi får vores naturlige mica-leverancer fra Indien og USA.

Vi er også bevidste om de potentielle, sociale problemer i forbindelse med mica-produktionen i Indien og derfor har vi besluttet at bidrage og hjælpe med at finde en løsning sammen med den lokale befolkning.

Vi har samarbejdet med andre producenter af skønhedsproduktvaremærker i over 2 år for at opnå opmærksomhed og opbakning fra vores leverandører i Indien. Vi støtter en velkendt indisk NGO kaldet BBA (Bachpan Bachao Andolan), der hjælper lokale familier i hverdagen med at gøre dem bevidste om deres rettigheder i kampen mod børnearbejde, og støtter deres skolegang samt hjælper dem med at blive hørt i de lokale landsbyråd.

Yves Rocher, skaberen af Botanical Beauty, har i mere end 50 år været stærkt engageret i beskyttelse af naturen og bæredygtig udvikling, og vil fortsætte sin kamp gennem sit varemærke og sin fond.

Vi er interesserede i den endelige rapport og vi vil venligst forespørge hvornår og hvor den bliver offentliggjort?

Med venlig hilsen

Tatjana Lindström Joannou  
Koordinator

YVES ROCHER SUÈDE AB  
Postboks 109  
0900 København C

Tlf. 33 33 04 70  
Fax 33 12 04 70

Åbningstider: man - fre 8 - 18, lør 9 - 14  
[www.yves-rocher.dk](http://www.yves-rocher.dk)