

Statement Kuncai regarding a child labour free supply chain

Fujian Kuncai Material Technology Co.,Ltd (Kuncai), based in Fuzhou China, is one of the main producers of pearlescent pigments in the world and we use both natural mica and synthetic mica in our products. The synthetic mica is manufactured by ourselves while the natural mica is sourced in India, Pakistan and Brazil.

In India, the area Jkarkhand/Bihar, child labour occurs and since Kuncai strongly opposes to child labour we will do all we can to prevent child labour in our supply chain. Please see for our activities regarding child labour also our website (fjkuncai.com) under the header CSR. Below you find a summary of this.

Kuncai has a three folded approach toward this complex topic

1. Control over our own supply chain

Since we do not allow child labour in our supply chain, all our suppliers have signed contracts in which is stated that no child labour is allowed and is not present, not in the factory nor in the mining of mica. Next to that we frequently audit our suppliers and visit the factories and the mines with our suppliers. The suppliers also present documentation of local government controls. During our audits we have found no evidence of child labour. End 2015 we decided to further improve our efforts in controlling our supply chain and involved Child Right Organisation Terre des Hommes to think with us what further steps can be taken.

We decided in March 2016 to establish our own company Kuncai India so we are able to source directly from mines and can audit the mines ourselves. The risk that our suppliers, although not allowed, could buy from illegal mines with the risk of child labour is then taken away. The importance of Kuncai India (now established) is clear, since we can buy directly from mines and will be able to do also unannounced audits and we will involve Terre des Hommes and other NGOs in these audits and we will hire an external firm specialized for these audits to ensure that the mines are free from child labour and have safe working conditions for the mineworkers.

Yearly a responsibility report will be published on our sourcing of natural mica. This report will be published on our website and will state our efforts to control our supply chain for natural mica in India and also abroad India and will include statements of the involved NGOs and the external audit firm about the findings of the audits .

2. Partnership with Terre des Hommes

In January 2016 we have contacted the international child right organisation Terre des Hommes in the Netherlands and proposed to join forces and work together on improving the child labour situation in the mica industry in India. Terre des Hommes has developed an ambitious program with the participation of Kuncai “Beauty and the Beast, let’s beat child labour in the mica industry”. The goal of this three year program is to eliminate child labour in the mica industry and save 10.000 children from child labour and provide schools and education.

Kuncai is the first partner in this program and will contribute € 500.000. Next to our financial contribution, we will act as ambassadors of the program towards all parties involved, with a strong focus on our industry and the Indian Government to work out best practices and change the present situation. We have committed ourselves for the coming three years. It is a complex challenge and this requires a structural and holistic approach through the complete supply chain and will ask cooperation between 6 actors (Children at risk, Communities, Government, Civil Society Organisations, Law Enforcement and Private Sector).

3. Synthetic mica

There is an alternative to natural mica, which is synthetic mica. This very pure mica equivalent, which is produced in a factory, dedicated for very high temperature cooking of minerals, is offering technical advantages over natural mica, as it has virtually no contaminants, allowing the production of high quality automotive paints and cosmetics. Cosmetics are applied on skin and therefore they look for the highest purity pearl pigments. The high purity pigments are made from synthetic mica.

Kuncai started the manufacture of synthetic mica many years ago, nowadays it is the largest manufacturer of synthetic mica for producing pearlescent pigment in the world, but for price reasons the major part of the pearl pigment market has not made the switch yet.

Although the alternative pigment is there, Kuncai has taken its responsibility in making important steps to invest heavily in fighting the problem in the Indian mica industry. If we are not able to create a child labour free and legal mica industry in India, the industry could consider the switch towards an undisputed product like synthetic mica.

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