

Child Labour in the Supply Chain of LafargeHolcim in Uganda: Unresolved Issues

Executive Summary

For more than 10 years, LafargeHolcim and its suppliers benefited from child labor among artisanal miners who supplied raw materials (pozzolana, a volcanic rock) to the company in Uganda. Following a public scandal, including the publication of an article in the newspaper Le Monde in March 2016, LafargeHolcim stopped buying raw materials from artisanal miners to work only with mechanized mines.

Bread for all (BFA) and its partner organisation in Uganda, Twerwaneho Listeners' Club (TLC), investigated after this scandal: 54 informants were interviewed during a period of 6 months to assess the situation. Our investigation shows that:

1. **Until September 2016, according to several estimations, an approximate number of 150 children worked in the quarries that were supplying pozzolana to Hima Cement Limited, a subsidiary of LafargeHolcim;** Hima Cement started buying pozzolana from artisanal miners since 1992 and child labor in quarries is confirmed since the beginning of the years 2000. We met 20 working children aged between 12 and 17 during our interviews. Many children who worked at the mines dropped out of school and do not go on to secondary school. Working in pozzolana quarries is a hazardous work: **most children interviewed reported having experienced injuries (leg, hand, foot)**. They also reported that working in quarries has a negative impact on their health and physical development. This type of work is classified by the International Labor Organisation as "**hazardous child labor**".
2. In September 2016, the company decided to supply only 10% from artisanal miners and 90% from mechanized mines. **In January 2017, Hima Cement announced to completely stop buying from artisanal miners and denied having had children in its supply chain.** By doing this, LafargeHolcim only reduces its reputational risks without implementing measures to guarantee a decent future for children who were working in the quarries.
3. Since LafargeHolcim stopped buying raw materials from artisanal miners, **most of the children, who dropped out of school, lost their sources of income. The increased unemployment led to higher theft in the communities and also led to more school drop outs** (as some parents who entirely depended on quarrying cannot afford school fees).

In this respect, **LafargeHolcim does not meet the requirements of the UN Guiding Principles on Business and Human Rights (UNGPs)** that require companies to use their leverage on their suppliers to provide remediation in the case of negative human rights impacts.

Conclusions and recommendations:

- **LafargeHolcim should work with its suppliers to implement programmes that enable former child laborers to return to school or to receive a vocational training in order to generate another source of income.** After more than 10 years of benefitting from child labor in its supply chain, a company bears a huge responsibility. It seems that firms too often take an approach that seeks to reduce reputational risks for themselves, while ignoring the need to provide remediation for victims of human rights violations.
- **Swiss firms have to respect the rights of children in their supply chain. Dialogue and voluntary CSR measures, as promoted by the Swiss Government, are not enough to get firms to effectively fight child labor.** The LafargeHolcim case represents only the tip of the iceberg: other Swiss firms are faced with the same challenges.
- **Legally binding human rights due diligence (HRDD) is necessary: We recommend that Switzerland introduces a legally binding human rights due diligence (HRDD) for all Swiss companies through a new regulation.** New laws in France and the Netherlands recently introduced such a requirement. In Switzerland, the “Responsible Business Initiative”, supported by 80 organisations (among them Bread for all and Fastenopfer), would introduce such a legal obligation.