

## **Position of TLC and BFA on the response of LafargeHolcim (LH) entitled**

### **“Response to Report on Child Labour in the Supply Chain of LafargeHolcim in Uganda” from May 2, 2017.**

In its response, LH states: “Since the beginning of April 2016 Hima Cement have conducted a total of 49 unannounced audits of our pozzolana and sand quarries and in none of these have we observed artisanal mining by children.”

Our answer: LH speaks about “our pozzolana and sand quarries”. We never mentioned sand quarries in our report. Moreover, LH speaks from “our quarries”: we did not investigate quarries owned by LH as our research was focused on artisanal quarries. These quarries were affected by child labor and were delivering pozzolana to Hima Cement.

LH states: “LafargeHolcim Group commissioned an independent investigation by an international independent qualified auditor. The investigation found that although children work routinely alongside their parents in agriculture, there was no material evidence that Hima Cement or its suppliers used, or were aware of the use of child labour within the supply chain.”

Our answer: The report of this so-called “independent investigation” has never been published despite our repeated calls to LH to publish it. No details are given on the name of the auditor, on the people interviewed, on the methodology used and on whether only suppliers or also subcontractors (such as transporting companies) were interviewed.

LH states: “We would highlight that pozzolana from Fort Portal / Harugongo is supplied to several companies including one competing cement company.”

Our answer: the interviewees systematically mentioned Hima Cement as the main buyer of pozzolana in Harugongo. Informants reported that only a small part of the pozzolana mined is sold not to Hima Cement but to local construction companies.

LH states: “We therefore disagree with the following statements / allegations in your report that “the total number of working children in Harugongo before September 2016 was at least 150” for the aforementioned reasons. At each of our meetings, we have asked for, but have not been given any evidence from your research that substantiates your findings.

Our answer: we shared with LH most of our interview minutes where LH could read that child labor was widespread and where children stated that the pozzolana they mined was used by Hima Cement. The number of 150 children comes from two different estimations done by land owners and local authority representatives in three parishes.

LH states: “We therefore disagree with the following statements / allegations in your report: - in your report you state that “The truck drivers who reported buying pozzolana from child labourers were working for 12 different companies (both suppliers and transporters) in the supply chain of Hima Cement, indicating a practice that is widespread, not isolated.” As previously stated Hima Cement, at the time of the Le Monde article, only had 5 suppliers from Fort Portal / Harugongo sourcing from 2 mechanised quarries. Currently we have one supplier from Fort Portal / Harugongo sourcing from one quarry.”

Our answer: our investigation showed that not only suppliers but also transporting companies were buying pozzolana from children. We found a total of 12 different companies (both suppliers and transporters) that were reported buying pozzolana from children. Suppliers have a direct agreement with Hima Cement, while transporting companies are contracted by suppliers to buy and deliver pozzolana to Hima Cement on their behalf.

LH states: “Following the impact assessment it was identified that little CSR activities had been carried out in Harugongo area. It was decided to extend the CSR support Harugongo area and we can report the following progress; we are in procurement stage for construction of sanitary facilities for children in Harugongo Primary school. We have engaged with SOS Children’s Village, a non-governmental organisation, to partner in several programs in the Harugongo community.”

Our answer: it is not enough to start some CSR activities for one school and some families in Harugongo. LH should rather recognize its responsibility in child labor in its supply chain and take responsibility for all 150 children who worked in the quarries: LH should implement programmes that enable all 150 former child labourers to return to school or receive vocational training in order to generate another source of income.

TLC and BFA, 10 May 2017.