Report about FS Inspection Trip to India from 09.11-18.11.2024

Executive Summary:

The Fair Stone inspection trip to India, conducted from November 9–18, 2024, marked the fourth visit since 2019. The visit spanned both South and North India, focusing on compliance checks, supplier engagement, and understanding working conditions across stone processing units and quarries. Key findings revealed progress in some areas, such as increased awareness of safety practices, alongside persisting challenges like excessive working hours and insufficient use of personal protective equipment (PPE). This trip contributed to strengthening supplier relationships and advancing the Fair Stone mission of promoting ethical practices in the natural stone industry. Summarized Key Findings:

Worker Well-being:

- Advocate for premium wages for overtime and mandatory weekly rest days.
- Increase worker training on safety protocols and labor rights.

Compliance Monitoring:

- Intensify control visits and provide clear due-diligence templates for factory management.

Supplier Engagement:

- Work with middlemen to ensure their understanding of labor laws and encourage formal hiring processes.

Trip Overview:

Duration: 8 days (November 9–18, 2024)
Regions Visited: South India (factories) and Rajasthan (quarries and factories)
Participants:

- James Herrmann, Managing Director of Fair Stone
- Ms. Girija Venkatesan, Local Representative

#Natural Stones are sourced globally and processed to Monuments in India

Natural Stone Industry in India:

India is one of the largest producers of natural stones globally, with Rajasthan and South India being key hubs. Major exports include granite, sandstone, marble, and slate, predominantly shipped to Europe, North America, and the Middle East. The sector is labor-intensive, employing over 1 million workers, yet faces challenges like informal employment, wage disparities, and inadequate safety measures. Sustainable practices are emerging, driven by certification schemes, industry initiatives, NGOs and international demand for ethically sourced materials.

Control visits in the FS MONUMENT factories:

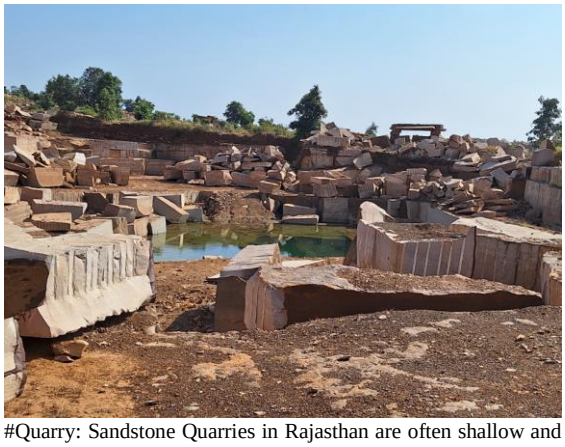
While the factories complied with basic ILO conventions, several issues were identified. Workers were not receiving premium wages for overtime, and they were not provided a weekly day off when there was an urgent shipment. Although the workers stated that they were not being forced to work without a break and expressed a need for more money, it was recommended that they should be given a regular day off. This would help promote work-life balance and protect their health.

In addition to the previously mentioned issues, the following health and safety concerns were also discussed:

- Limited use of PPE despite high noise levels.
- Under-pressurized fire extinguishers.
- Oral medications provided in first aid boxes without medical oversight.

The factory management was informed about the dangers of providing oral medications without proper medical consultation. They were also made aware of the potential need to pay compensation if workers complain about impaired hearing due to adverse working conditions. The management assured that they would stop providing oral medications and would actively encourage workers to use earplugs.
The suggestion boxes were placed at the entrance of some factories. Management was informed about the importance of positioning the suggestion boxes discreetly.

#Production of monuments and sculptures is time-intensive and requires skilled workers



#Quarry: Sandstone Quarries in Rajasthan are often shallow and waterlogged. Not all quarries pump the water out to restart extraction.

Control visit in the Sandstone quarries:
During the control visits conducted at four quarries, it was observed that production was not at full capacity in a couple of them due to flooding caused by recent rains.

The inspection revealed no instances of forced or child labor. It is important to note that all quarry workers were paid daily wages and classified as non-permanent workers. According to the workers & records, their daily earnings ranged between INR 500 and INR 600 (5.65 – 6.78EUR), which is lower than the wages received by workers in South India. Additionally, there was a low awareness but also willingness among workers regarding the use of personal protective equipment (PPE). Workers often stated as reason that PPE is uncomfortable. During summer, the working hours are slightly adjusted that the workers need not work under the hot sun.

#Quarry: Sandstone is extracted via wire-saw and manual drilling of bore holes, which are filled with lime and water. The material expands by itself, leading to the separation of the raw block

Witness audits:
FS also observed the audits conducted by a third party. Additionally, the local representative conducted interviews with workers to gather insights about their working conditions. The interviews revealed violations related to wage payment, reasonable working hours, and legally binding employment relationships. The management agreed with all the findings and assured FS that the issues would be resolved promptly. FS suggested that management prioritize addressing concerns related to legally binding employment relationships and reasonable working hours. Since the factory was already paying wages

significantly higher than the local legal minimum, it was recommended to implement premium wages for overtime after tackling the higher-priority issues.

On a positive note, the awareness and use of PPE among workers improved significantly compared to the issues identified in previous audits.

During the witness audit at the quarry, all mandatory legal documents were and an effective age verification system was in place. There were only seven workers at the quarry, as it is a shallow pit, and all of them were permanent employees. The management preferred hiring permanent workers due to the small workforce size. They wanted their employees to maintain consistent attendance, as temporary workers often leave for agricultural duties when necessary. Operations of other nearby quarries need to be halted due to this lack of workforce.

#Worker Interviews are an important element of visits and audits.

Distribution of FS information cards and posters:

The FS information cards containing the FS helpline number were distributed in the factories, where workers were informed about the helpline's significance and assured that their anonymity would be protected.

#Workers willingly received the information on the FS helpline

#Sandstone rawblocks for Monuments need to have a minimum size, special shades and uniform patterns. For some material, only 1 of 10 extracted blocks qualifies

#Transport by Trucks is still the most common way. However, finished sandstone products already travel via train to the 1000km distant port Mundhra near Mumbai

#Verification of on-site processing and finished goods for FS Partner

Key Findings & organizational learning:

- Excess working hours and lack of a regular day off => FS & auditing companies need to emphasize the importance of this for worker well-being safe operational practice (rest reduces accidents)
- Importance of Middle-Men in the workers' hiring process => Temporary and daily workers are often employed via Middle-Men in India. These Middle-Men need to be informed about labor regulations and involved in on-site dialogue. Furthermore, the road to an official license and its benefits needs to be explained by FS Staff
- Increase frequency of control visits and contact points with suppliers => Train workers on safety issues and assist in establishing work committees. Distribute Due-Diligence Templates that illustrate Fair Stone requirements to factory management and ensure they are displayed on the notice board during the control visits.
- FSM Labelling => The significance of FSM labels for monuments intended for export was communicated to the stone processors, and they received this information positively. Management was given the discretion to decide whether to affix labels to one piece or all pieces.
- General Infrastructure Factories => In terms of operational standards, the visited factories exhibited a good level of infrastructure with well-maintained wet cutting saws, lifting devices, and other heavy machinery. Some factories were relatively new and constructed less than 10 years ago. Installation of safety and "no child labour" sign boards has increased compared to the past.
- Transparency => Local representative and rapport with factory management has improved information flow about quarry sources and facilitated visits and audits.

#Worker Interviews are an important element of visits and audits. In very few cases, female workers are employed in the processing factories. Interestingly, thirty percent of the workforce in one of the factories in South India consists of women.

SDG 2030 Impact:

- SDG 8 Decent Work: By promoting fair wages, regulated working hours, and safe working conditions, the initiative fosters decent work and economic growth.
- SDG 12 Responsible Consumption: Ensuring compliance with labor laws and encouraging ethical practices in natural stone production aligns with responsible consumption and production.
- SDG 17 Partnership for Goals: Strengthened partnerships with local stakeholders support capacity-building for sustainable practices.