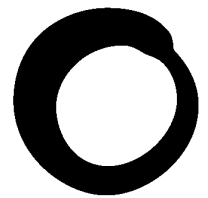


June 2003



**Friends of
the Earth**

Media Briefing

UK Cosmetics industry risks tiger forests

Leading cosmetics companies exposed for selling illegally mined talc products from India's precious tiger habitats.



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Major UK/ Dutch cosmetics multinational, Unilever, has been exposed by The Environmental Investigation Agency (EIA), Friends of the Earth and the Observer newspaper for sourcing talc illegally quarried by an Indian mining company.¹ The mining company has also listed US multinationals, Johnson & Johnson, Revlon and Avon among its clients. The quarrying not only destroys tiger habitats but also devastates the forest and watersheds vital for the well being of local people.²

It is impossible for UK consumers buying cosmetics and skin care products from these major companies to tell if they contain illegal soapstone from Rajasthan's Jamwa Ramgarh Wildlife Sanctuary. A precious forest and tiger homeland, the sanctuary has long been recognised as a protected area by the Indian Government. But when the EIA visited the area they discovered the forest had been torn apart and the landscape was littered with mines extracting talc and Andhi marble.

Without strong binding laws ensuring these companies have high environmental and social standards there is little to stop multinationals like these failing their responsibilities.³

EIA is an independent, international campaigning organisation committed to investigating and exposing environmental crime. EIA's Tiger Campaign has been working on tiger conservation in India since 1996

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UK Cosmetics industry risks tiger forests

Lowlights

- UK consumers buying UK/Dutch multinational Unilever's brand name products such as Dove, Lux, Sunsilk, Omo and Pond's, could be unknowingly buying cosmetics and skin care products made out of talc from illegal and destructive mines in the Jamwa Ramgarh Wildlife Sanctuary in Rajasthan, India.
- The sanctuary is home to tigers and adjacent to a protected tiger reserve. There are only around 5000 tigers left in the wild and approximately half of the world's wild tigers are in India. Up to a tiger a day is lost from the Indian population. Mining disturbs and fragments the tiger's vital forest habitat, which increases vulnerability to local extinction.⁴
- The forests that tigers depend on are the same forests that provide water security for millions of people. The deforestation from mining leads to soil erosion. Quarries suck up water and deplete the water table, which deprives local farmers of water for irrigation and working conditions in the quarries are poor.⁵
- The Jamwa Ramgarh Wildlife Sanctuary in the Indian state of Rajasthan falls within the Aravalli hill range, an area declared vital for water security by the Indian Government eleven years ago. The Prime Minister of India, who is chair of India's Board for Wildlife, approved a resolution declaring no mining should occur within 10 km of the boundary of any protected area.⁶
- Despite national legislation and previous Supreme Court rulings mining has continued inside the sanctuary, the forests have been torn apart and the landscape is littered with mines and quarries extracting talc and marble.⁷ The Supreme Court of India's Centrally Empowered Committee once again ordered the mines to be closed following a site visit in May 2003.
- The Golcha Group mining company, which illegally operates the soapstone quarry, is one of India's main producers and exporters of soapstone. According to the Group their clientele has included multinationals such as Unilever, Cussons, Revlon, Avon and Johnson & Johnson. EIA contacted all these multinational's CEOs in March 2003 seeking a meeting to present the findings of their investigations and confirmation of whether or not they buy talc from the Golcha Group.⁸
- Unilever finally admitted to the Observer newspaper in June 2003 that they are customers of the Golcha Group and have recently purchased talc from the sanctuary mines that Golcha has been quarrying illegally for around 15 years. But between EIA's initial letter in March and the admission to the Observer in June Unilever had not addressed EIA's concerns despite repeated requests for a meeting and/or information. Unilever had still not replied to the EIA on June 20.⁹
- Cussons replied to EIA to affirm they have bought Golcha Group talc in the past but ceased trading with the mining company a few years ago. The remaining companies have not responded in any way to EIA's concerns, nor have they confirmed whether or not they buy the illegal talc.¹⁰
- Talcum powder and other cosmetics are made from talc which is processed from soapstone. As well as talcum powder the soapstone is used in a number of other applications including coloured make-up and other skin care products and as a filler in some cosmetic products such as toothpaste, soap and detergents. Talc is also used in many other products such as paint and plastics. On products it is often listed by its chemical name, Magnesium Silicate Hydroxide.¹¹
- The devastation of the Jamwa Ramgarh Sanctuary is not an isolated incident. Many protected areas across India suffer from the effects of mining. There is no guarantee that the big cosmetics companies aren't buying talc mined from other environmentally sensitive areas in India or across the world.¹²

In the absence of any response or confirmation from Johnson & Johnson, Revlon and Avon as to whether or not they are purchasing talc from the Golcha Group we cannot be sure whether UK customers are unwittingly buying their brand name products contaminated with illegally sourced talc.

UK Cosmetics industry risks tiger forests

Friends of the Earth and EIA demand that:

- **Governments must take responsibility:** Currently there is little to stop multinationals like Unilever, Cussons, Revlon, Johnson & Johnson and Avon from putting profits before people and the planet we depend on.¹³ Without **strong binding laws** to ensure these and other multinationals are accountable for their social and environmental impacts they will remain free to source products like talc from mines that operate in areas that are essential for wildlife conservation and environmental protection.
- **Multinationals cosmetic companies must clean up:** Friends of the Earth and EIA welcome the news that Cussons has ceased to purchase talc from The Golcha group and urges Unilever, Revlon, Avon and Johnson & Johnson to follow suit. Each of these multinationals has production and marketing operations across the world and claim to be working towards social and environmental good practice. They all have a responsibility to ensure they and their suppliers operate in the best long-term interest of the communities and the environment wherever they source and produce their cosmetics. Yet none of the US companies has denied purchasing talc from The Golcha Group whose biggest mine has been operating illegally for 15 years. It seems that UK multinational, Unilever, has admitted it has been purchasing the illegal talc for some time.
- **Mining in India's protected areas must stop:** The Government of Rajasthan must take immediate action and ensure that there is no more mining within or on the boundaries of the Jamwa Ramgarh Wildlife Sanctuary. The forest must be rehabilitated and Jamwa Ramgarh Wildlife Sanctuary should be included in Sariska Tiger Reserve. The Government of Rajasthan must implement the recommendation of the Indian Board for Wildlife to declare an area of 10km from the boundary of all protected areas as an ecofragile zone in which mining is not allowed.

The devastation of the Jamwa Ramgarh Wildlife Sanctuary is not an isolated incident. Many protected areas and sanctuaries across India suffer from the effects of mining. The Indian Government has a responsibility to ensure that its valuable wildlife reserves are protected. Tigers are increasingly rare and the loss of watersheds causes a lot of unnecessary suffering to local communities.

UK Cosmetics industry risks tiger forests

Company Basics

Unilever Group: The British/Dutch Unilever Group consists of two parent companies, Unilver NV registered in the Netherlands and Unilever PLC registered in England.

Headquarters: Unilever PLC London, Unilever House, Blackfriars, London, EC4P 4BQ

tel: 020 7 822-5252 **fax:** 020 7 822-5951 **website:** www.unilever.com

Chairmen: Sir Niall FitzGerald: Chairman of Unilever PLC and vice chairman of Unilever NV. **Profits:** Reported a 13 percent rise in 2002 net profit. pre-tax profits for 2002: £2.65 bn

Brands: The multinational has two divisions – Food and Home and Personal Care. Brands include **Dove, Lux, Omo, Pond's and Sunsilk**. Many of these are composed of talc or use talc as a filler.

- EIA first wrote to Unilever's CEO on 28 March 2003 to ask if they bought products from the Golcha group. But despite repeated requests for meetings and/or information, by June 2003 the company still hadn't confirmed to EIA whether or not they buy Golcha talc. Unilever finally reported to the Observer newspaper in mid June 2003 that it has been buying talc from the Golcha Group and specifically from the illegal mines within the protected wildlife sanctuary

PZ Cussons Plc: UK Multinational manufactures and distributes in Europe, Africa and Asia.

Headquarters: PZ Cussons House, Bird Hall Lane, Cheshire, UK, SK3 0XN **Chairman:** Mr AJ Green

website: www.cussons.com. **tel:** 0161 491 8000 **fax:** 0161 491 8191

Brands: Key brands in personal care include **Imperial Leather, Carex, Cussons Baby, Premier and Joy**.

- EIA first wrote to PZ Cussons CEO on 28 March 2003. Cussons was the only company to reply promptly to EIA to confirm that although it had traded with the Golcha group in the past it had now ceased to do business with the company a few years ago.

Johnson & Johnson: American registered multinational .Over 200 operating companies in 54 countries

Headquarters: One Johnson & Johnson Plaza, New Brunswick, NJ 08933 **website:** www.jnj.com **tel:**001 732 524 0400 **fax:** 020 732 524 3296 **Chairman and Chief Executive Officer:** William C. Weldon **Profits:** 2002 reported profits of \$36.3 billion in sales

Brands: Best known for **Johnson's Baby** and **Band-aid**. Baby lines include talcs and skin care products

- EIA first wrote to Johnson & Johnson's CEO on 28 March 2003 to ask if they bought products from the Golcha group. But despite repeated requests for meetings and/or information, by June 20 2003 the company still hadn't confirmed to EIA whether or not they buy Golcha talc.

Avon: American registered multinational, Avon is a well trusted name in direct selling. Avon ladies are a household name in the UK.

Headquarters: Avon Products, Inc., 1251 Avenue of the Americas, New York, New York 10020 **tel:** 001 212 282 5000 **fax:** 001 212 282 6224 **website:** http://avon.avon.com **Chairman and CEO:** Andrea Jung **Profits:** Annual sales revs nearly \$6 bn

Brands: Huge range of make up and beauty products include **skin so softly** skin care products and **Avon Natural**. Best known for wide range of foundations, eye make up and blushers.

- EIA wrote to Avon's CEO on 28 March 2003 to ask if they bought products from the Golcha group. But despite repeated requests for meetings and/or information, by June 20 2003 the company still hadn't confirmed to EIA whether or not they buy Golcha talc.

Revlon: American registered multinational. Household name in make up and cosmetics

Headquarters: Revlon, 625 Madison Avenue, New York NY 10022 **Chairman:** Mr Ronald O Perelman

website: www.revlon.com/home.asp **tel:** 001 212 527 4000

Brands: Include the famous **Charlie** perfume range, **Almay, Ultimall, Mitchum**, and Dry Skin Relief

- EIA wrote to Revlon's CEO on 28 March 2003 to ask if they bought products from the Golcha group. But despite repeated requests for meetings and/or information, by June 20 2003 the company still hadn't confirmed to EIA whether or not they buy Golcha talc.

Golcha Talc/Golcha Minerals Ltd: Leading Indian talc mining and export company

Headquarters: Golcha Square, Sardar Patel Marg, C-Scheme, Jaipur 302 001

tel: 0091 – 141-566011 to 14, 569829 to 30 **email:** golcha@jpl.dot.net.in. **website:** www.golchagroup.com/www.golchha.net/www.capexil.com/golcha_talc. Number of employees: 20 Itms of export: Processed Talc, Soapstone, Steatite and other minerals. Annual sales: One Crore Rupees (Approximate)

- Have been operating illegal talc quarry for Jamwa Ramgarh Wildlife Sanctuary for 15 years and have reported to EIA they have sold talc to all the above companies.

Cosmetic multinationals' impacts

A recent report from the EIA, *Undermined – Destruction of Tiger Habitat in India*, highlighted how the cosmetics multinationals could be implicated in the devastation of vital tiger habitat in India. Purchasing illegally and/or unsustainably mined soapstone (talc) from local companies such as the Golcha Group contributes to the destruction of areas that are vital for wildlife conservation, environmental protection and local people's livelihoods. According to the Golcha Group, Unilever, Cussons, Johnson & Johnson, Revlon and Avon have all been connected to this unsustainable talc trade.¹⁴

The EIA report focused on Jamwa Ramgarh Wildlife Sanctuary (JRWS), in the Aravalli Hill region of Rajasthan in Western India. This reserve is part of a critical watershed forest for wildlife and local communities and the sanctuary is an important spill over area for the young tigers of the adjacent Sariska Tiger Reserve. Under Indian law there should be no mining inside these protected areas. In addition the Indian Prime Minister, as chair of the Indian Board for Wildlife, approved a resolution declaring that no mining should occur within 10km of the boundary of any protected area. Despite this the forest has been torn apart and the landscape littered with mines extracting talc and Andhi marble.

When the EIA visited the sanctuary it discovered that local companies had disregarded the legal status of the reserve and had been allowed to operate in an unsustainable and unethical manner without any consideration towards the endangered tiger or the importance of the area for water. The EIA and Friends of the Earth are concerned that if this mining continues the area will become a desert leaving little for the people or the wildlife of the region. The EIA report also documented how confusion regarding the actual boundaries of the sanctuary, negligence of some State and Central Government authorities and the power of the mining lobby has all played a part in its devastation.¹⁵

Much of the damage has been carried out by the Golcha Group mining company, which illegally operates the soapstone quarry, is one of India's main producers and exporters of soapstone and lists a plethora of major cosmetics companies as clients. Following the publication of the EIA report and a subsequent mission by the Supreme Court's Centrally Empowered Committee in May 2003, 58 mines inside Jamwa Ramgarh including the Golcha Group talc mine have been ordered to close down.

The talc from this quarry is high grade and valued in the cosmetics industry. Talc is widely used in many industries due to its relatively low price. Total world consumption of talc products is currently about 6 million tonnes per annum. Talc is a valuable commodity in the beauty trade as it can be processed into a variety of popular cosmetics. As well as talcum powder the soapstone is used in a number of other applications including coloured make-up, skin care products and as a filler in other cosmetics such as toothpaste, soap and detergents. Talc is also used in other products such as paint and plastics. It is clear that in their greed to get hold of this lucrative commodity, Unilever has not been able to ensure that its extraction doesn't involve breaking the law. Any cosmetics company purchasing the illegally mined talc cosmetics has failed its responsibilities to the environment, wildlife and people.

Greenwash

The cosmetics companies all spend a great deal of time and energy on glossy brochures and advertising. These days multinationals like these lose no opportunity to present themselves as responsible corporate citizens. They often do this through sponsorship of community and environmental projects and put themselves forward for corporate social responsibility listings such as the United Nations Global Sullivan Principles, the UN Global Compact the Dow Jones Sustainability Index etc. In this way companies want Governments to believe they are voluntarily acting in the best interests of people and the environment. But on the ground they are often failing to put their proclaimed green credentials into action.

Unilever greenwash

UK company Unilever loses no opportunity to cultivate an image of a company that takes the environment and social issues seriously and the company prides itself on being a responsible multinational. In its 2002 Annual Review it tells stakeholders that:

“Our long-term success requires the highest standards of corporate behaviour towards our employees, consumers and the world in which we live.” Unilever parades itself as a company with a strong ethical stance through its brochure *“Global challenges, local actions”*. The company often refers to itself as a *“truly multi-local multinational”* whereby seems to be giving the impression it is committed to ensuring it is taking its responsibilities seriously all over the world. In its brochure the multinational asserts: *“Unilever has earned a reputation for conducting its business with integrity and with respect for the interests of those our activities can affect... We want this Code to be more than a collection of high-sounding statements... each one of us must follow these principles in the spirit as well as the letter”*.¹⁶

It is difficult to square these claims with the revelations that it has been buying unsustainably mined talc from the Golcha group. But Unilever is no stranger to controversy over its environmental and social standards. In March 2001 for example Unilever's mercury thermometer factory in Kodaikanal, India, was exposed for illegally dumping toxic mercury wastes near a school in a sensitive watershed forest behind the factory building. Workers and ex-workers have expressed outrage at Unilever.¹⁷

At the very least Unilever would like to believe it is operating within the law stating: *“Unilever companies and our employees are required to comply with the laws and regulations of the countries in which we operate.”* But in India it has failed to ensure its suppliers are operating to these same basic standards. Unilever is also involved in initiatives cleaning up polluted rivers in Indonesia and is committed to planning and implementing an integrated long-term solution involving industry and the community. But in India the tigers and local communities are not able to thank Unilever. The company is committed to sustainable agriculture and fisheries and water stewardship but its attitude towards local people's water supplies and tiger habitats in Rajasthan is less impressive.

Unilever must ensure it stops trading with the Golcha group until it can be sure that the talc it buys is being mined sustainably. Unilever must also make sure all its operations and suppliers have high environmental and social standards wherever in the world they operate.

US multinationals greenwash

It is unclear whether US multinationals, Johnson & Johnson, Revlon and Avon are buying talc from the Golcha group or illegal talc from the Jamwa Ramgarh Wildlife Sanctuary. But at the very least, the fact that they have been unable or unwilling to confirm to EIA whether or not they were buying the illegal or unsustainable talc indicates that they are failing to take concerns about the wildlife, the environment and people's welfare seriously.

Change needed to UK company law:

It is clear that many multinational cosmetics companies are failing to put people and the environment before profits. Leaving big business to regulate itself on social and environmental issues isn't working. This case provides a clear example of why changes are needed to UK company law, to stop companies putting profits before people and the environment.

The Government recently completed the most comprehensive review of UK company law in 150 years and it is expected to introduce its Company Law Bill into Parliament within the next couple of years. This represents a unique opportunity to create a legal framework that ensures UKplc behaves in a way which reflects stakeholder concerns, and helps deliver sustainable development.

Developing countries like India often find it difficult to set up and implement appropriate regulations that make companies operate to higher standards. This is partly because multinationals like Unilever can always take their operations to somewhere with lower social and environmental standards. Unilever and the other multinational companies are able to continue trading and colluding with suppliers that are operating illegally despite an international outcry and calls for sanctions.

Laws must raise standards

The cosmetics multinationals' negative impacts in India demonstrate why government legislation is needed that places duties on directors to take steps to minimise negative social and environmental impacts of their business operations. It also needs to provide mechanisms by which communities in the UK and abroad can hold the company accountable and seek redress when directors fail to uphold such duties.

These and other measures have been proposed in the Corporate Responsibility (CORE) Bill, tabled in the 2001-2002 parliamentary session and promoted by Amnesty International (UK), Christian Aid, Friends of the Earth, GMB Union, New Economics Foundation, Traidcraft, Unison and Unity Trust Bank amongst others (see www.corporate-responsibility.org for more information). The Bill has already secured the support of over 300 cross-party Members of Parliament (MPs).

But, at the moment, the Government's proposals contain no such measures. This will result in yet more unsustainable business as usual by companies like Unilever both in the UK and abroad and we will be even further away from achieving sustainable development.

Cosmetics companies must clean up:

Friends of the Earth and EIA welcome the news that Cussons has ceased to purchase talc from the Golcha Group and urges Unilever, Revlon, Avon and Johnson & Johnson to follow suit. Each of these multinationals has production and marketing operations across the world and claims to be working towards social and environmental good practice. They all have a responsibility to ensure they and their suppliers operate in the best long-term interest of the communities and the environment wherever they source and produce their cosmetics. Yet none of the US companies has denied purchasing talc from The Golcha Group whose biggest mine has been operating illegally for 15 years, and UK multinational Unilever, has admitted it has been purchasing the illegal talc for some time.

Mining in India's protected areas must stop:

The Government of Rajasthan must take immediate action to ensure there is no more mining within or on the boundaries of the Jamwa Ramgarh Wildlife Sanctuary and that the forest is rehabilitated.

The devastation of the Jamwa Ramgarh Wildlife Sanctuary is not an isolated incident. Many protected areas and sanctuaries across India suffer from the effects of mining. The Indian Government has a responsibility to ensure that its valuable wildlife reserves are protected. Tigers are increasingly rare and the loss of watersheds causes a lot of unnecessary suffering to local communities.

UK Cosmetics industry risks tiger forests

Links

More about the EIA's campaign to save India's tiger habitats
www.eia-international.org

For more about the The CORE Bill and corporate responsibility campaign:
www.corporate-responsibility.org

For more information on Friends of the Earth's International's corporate responsibility campaign
<http://www.foei.org/corporates>

More about Friends of the Earth's campaigns calling for greater corporate accountability at a global level:
www.foe.co.uk/campaigns/corporates/index.html

Investigative reporting on the public relations industry
www.prwatch.org

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⁹ *The Observer*, op cit

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