

Progressively realising commitments against child labour

ECLT Members' Pledge of Commitment



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Tackling child labour together

An estimated 108 million are in child labour in agriculture (ILO 2017), doing work that is harmful to their safety, health or development. Government and private sector action is urgently needed to address this seemingly intractable abuse of children's rights.

The ECLT Foundation Members' Pledge of Commitment brings together a major portion of the multi-national corporations in the world's tobacco-sourcing supply chain. Pledge members are responding to the fact that tobacco growing worldwide will not be free of child labour until the industry can work together effectively at all levels - manufacturers, suppliers, buyers and farmers.

Since the signing in December 2014, Pledge Members are working to align, reinforce and, where necessary, expand policies and practices, and take tangible actions to address child labour in tobacco-growing supply chains. Members commit to uphold robust policy, conduct due diligence and provide for remediation against child labour, in line with international laws and based on the UN Guiding Principles on Business and Human Rights

(UNGPs) recognised to be best practices for businesses.

The Members recognise that the Pledge cannot fully address the complex root causes of child labour on its own. Making progress against systemic issues, such as poverty, lack of access to education, inadequate infrastructure and cultural acceptance of child labour, requires partnerships and sustained commitment. Collective industry effort is a major part of making progress, but the scale and complexity of the problem require stronger collaboration with stakeholders, like international organisations, governments, agricultural sectors, and communities themselves. In line with Sustainable Development Goal (SDG) 17, Pledge Members are committed to engage with others for the progressive elimination of child labour in tobacco-growing areas.

By signing the Pledge, members agree to:

COMMIT

to eliminate child labour and set out expectations in a company policy



ACT

to implement due diligence in supply chains to mitigate and account for the impact of child labour



RESPOND

to issues that arise through legitimate processes of remediation.

Pledge realisation: progressing transparently

The purpose of this progress report is to track how well member companies are implementing their child labour policies; whether they are responding effectively to identified child labour risks, and driving continuous improvement.

In interpreting these results, it is important to keep in mind that implementation of the Pledge is progressive and an ongoing process requiring flexibility, time and investments. Furthermore, the multinational environments that the member companies operate in imply that a one-size-fits-all approach is neither practical nor desirable.

What are the UNGPs?

United Nations Guiding Principles on Business and Human Rights (UNGPs) are an international set of guidelines for both governments and businesses. Based on the UN "Protect, respect and remedy" Framework, the UNGPs set the international standard of what businesses must do to embed respect for human rights into their operations and commercial relationships.

The ECLT Members' Pledge is in line with the UNGPs and other international legislation, including ILO Conventions and the UN Declaration on Human Rights.

Implementing the necessary policies and processes to meet the responsibility to respect human rights takes time... Putting the Guiding Principles into practice is, therefore, an ongoing process requiring continuous improvement. It is not a finite process that can be reported as complete.

The UN Guiding Principles Reporting Framework p.7

Second member self-assessment, 2015 - 2018

This report presents the results of the second self-assessment that was carried out between June and November 2018. The progress report is a follow-up to the baseline assessment, which was published in 2016.

During the period under review, two members resigned from the Pledge. The results have been accordingly adjusted to allow meaningful tracking of progress. The results presented here highlight key indicators around Policy, Due Diligence and Remediation.



Policy commitment



Due diligence



Remediation

2014

ECLT members sign the Pledge.

2015

ECLT self-assessment tool developed and reviewed by the ILO.
Members complete self-assessments

2016 - 2017

Members develop and implement individual action plans to further advance the Pledge

2018

Members once again assess progress and continue to address gaps.

Policy commitment

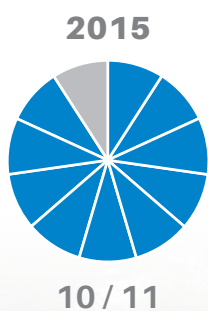


Developing an appropriate child labour policy commitment is a slow process requiring extensive internal and external consultations, internal alignment, staff training and roll-out to external suppliers. From this perspective, the results of the second self-assessment show solid progress in strengthening policy commitment since 2015.

Major highlights include two companies that developed lists of hazardous work for children on tobacco farms, and one company that revised its Child Labour Operational Standard to clarify policy and actions required by leaf suppliers to monitor and address child labour in global operations.

Appropriate policy commitment status

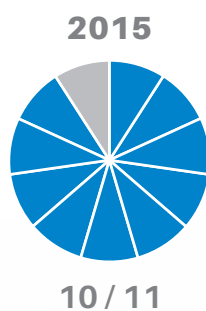
In 2018, **11 out of 11** members have a policy commitment in place to eliminate child labour in their supply chains.



	2015	2018
It is approved at most senior level in the company	10	11
It is informed by relevant internal/ external expertise	10	11
It is publicly available and communicated internally/ externally	9	11
It is reflected in company operational policies and procedures	10	11

Policy consistency with Pledge

In 2018, **11 out of 11** members have a policy commitment that is fully consistent with the ECLT Members' Pledge of Commitment.



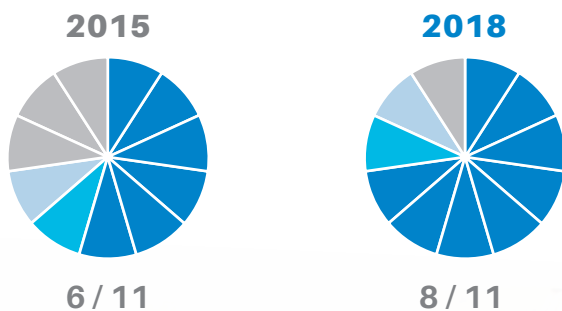
	2015	2018
It stipulates children of legal working age shall not perform hazardous work as defined in national frameworks	10	11
It states minimum age for non-hazardous employment shall not be less than the age set by national law and should respect the minimum age set in ILO Conventions and Recommendations on child labour	10	11
It promotes a level of child protection on family farms that meets or exceeds that set by international child labour frameworks	10	11



An appropriate child labour policy commitment sets the “tone at the top” of the company that is needed to embed respect for children’s rights in procedures and practices throughout the business.

List of hazardous tasks on tobacco farms

In 2018, **8 out of 11** members have a list of activities in place that children under 18 are prohibited from doing.



	2015	2018
List in place	6	8
List partially in place	1	1
List is planned	1	1
No list	3	1



Pledge in action

Policy commitment example

Integrating policy into company code of conduct

“Our policy in relation to child labour is included in our Code of Conduct. The relevant section has the following wording: ‘Child labour: We respect children’s rights, including their right to development and education, rest and play.

No child should be subject to forced labour or to child labour, such as work for which the child is too young (below the applicable minimum age), or work which is mentally, physically, socially or morally dangerous to children or work that interferes with their schooling.

We do not accept and do not use child labour. We respect the minimum working ages as defined in the ILO Convention 138 (or such higher ages which may be stipulated by national law or be defined nationally as the age for compulsory education).

Children who have reached the legal working age (normally 15 years according to the above, i.e. children between 15 and 18 years of age) may work but shall never perform hazardous work as defined under national regulations.

If national law permits, children 13-15 years old may perform light work as long as it does not threaten their health or safety or their ability to attend school or other education and to benefit from such education.

When and where relevant we will promote the right of children to be protected against forced labour and child labour. We will engage with other members of the industry, suppliers, farmers, communities, governments and other stakeholders to prevent child labour, forced labour and hazardous work among children.’ Our Code of Conduct can be viewed on our website.”

Due diligence



Due diligence can include gathering information like farmer profiles, ID checks for employment, regular farm visits and spot checks by technicians. Since the previous report, two more companies reported that they put in place systems to identify, prevent, mitigate and account for impact on children’s rights in supply chains. Three more companies reported that their due diligence now involves meaningful consultation with relevant stakeholders, and two more companies said they publicly communicate how they address impacts on children.

Systems in tobacco-sourcing supply chains

In 2018, **9 out of 11** members have a system or process in place to identify, prevent, mitigate and account for how their companies address impacts on children.



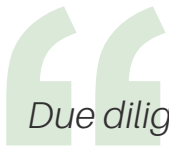
	2015	2018
System in place	7	9
System in place to an extent	2	1
System is planned	2	1

Public communication

In 2018, **8 out of 11** members publicly communicate how they address impacts of their activities, including on children, in their tobacco-sourcing supply chains.



	2015	2018
Publicly communicates	6	8
Publicly communicates to an extent	3	1
Plans to publicly communicate	1	1
Does not publicly communicate	1	1

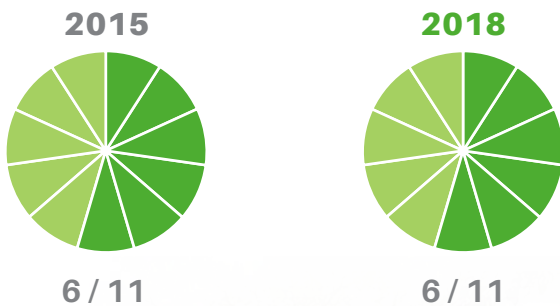


Due diligence is crucial for businesses to understand and address the root causes of child labour in supply chains.



Consistency with company context

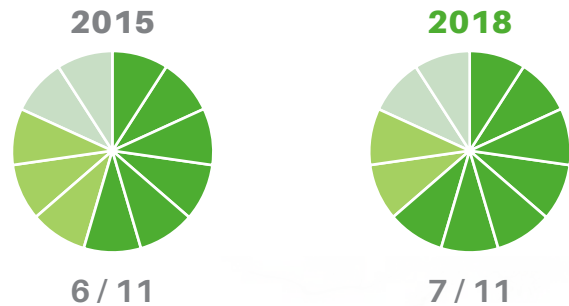
In 2018, **6 out of 11** member company child labour due diligence processes are fully consistent with the company size, the risk of severe child rights impacts, and the nature and context of its operations.



	2015	2018
Process fully consistent	6	6
Process consistent to an extent	5	5

Consistency with UNGPs

In 2018, **7 out of 11** member child labour due diligence processes are consistent with the UNGPs.

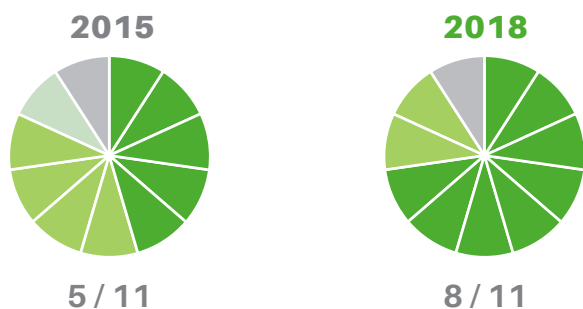


	2015	2018
Process fully consistent	6	7
Process consistent to an extent	3	2
Process is planned	2	2
No process	0	0



Meaningful consultation

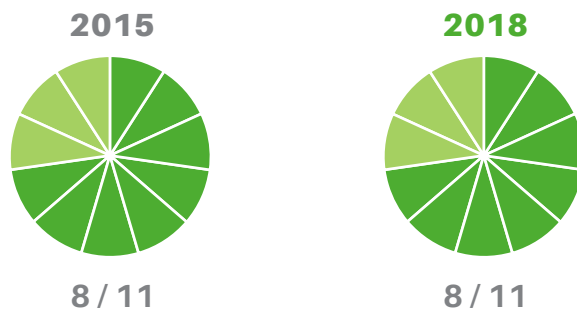
In 2018, **8 out of 11** member child labour due diligence processes involve instances of meaningful consultation with relevant stakeholders.



	2015	2018
Process in place	5	8
Process in place to an extent	4	2
Process is planned	1	0
No process	1	1

Human rights expertise

In 2018, **8 out of 11** member due diligence processes draw on internal and/or independent external human rights expertise.

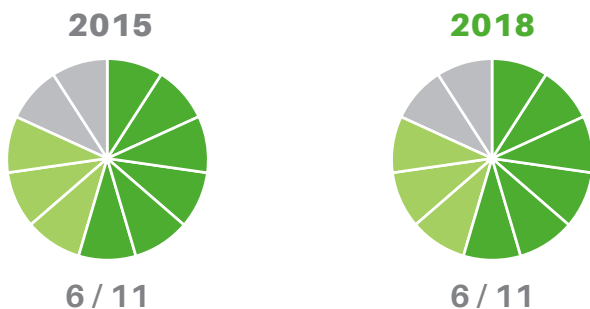


	2015	2018
Process draws on expertise	8	8
Process draws on expertise to an extent	3	3



Scope of due diligence

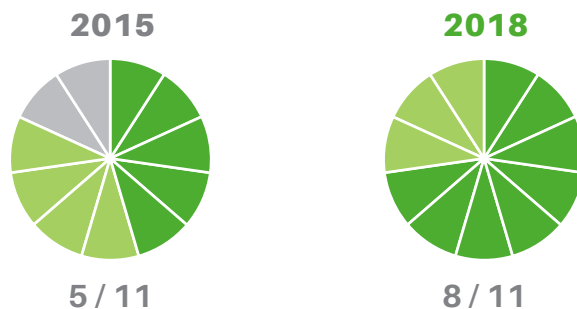
In 2018, **6 out of 11** member child labour due diligence processes cover adverse impacts, including those that may indirectly arise through their business relationships.



	2015	2018
Process fully consistent	6	6
Process covers adverse impacts to an extent	3	3
Process does not cover adverse impacts	2	2

Accessible process

In 2018, **8 out of 11** member communications about their due diligence processes are accessible to intended audiences and are sufficient to evaluate the adequacy of the company's response to child labour.



	2015	2018
Process is accessible	5	8
Process is accessible to an extent	4	3
Plans to make process is accessible	0	0
Process is not accessible	2	0



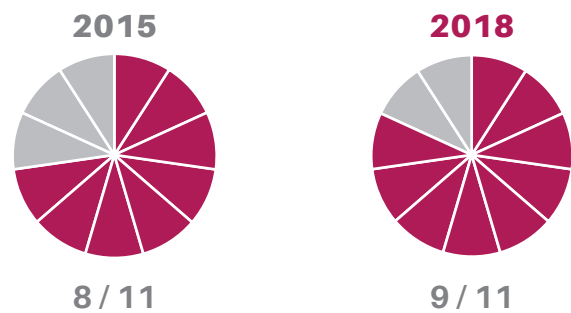
Remediation



The results show that since the last assessment in 2015, one more member now provides for remediation. This brings the total number of members who provide for or cooperate in remediation to 9 out of 11 members. In addition, six members are piloting operational grievance mechanisms in more than a dozen markets.

“*(We) work closely with our farmers and our communities to understand the root causes of child labour and broader labour issues in order to target solutions to address these. Our “Agricultural Labor Practices” is an improvement program that makes use of our (company strategies) to target improvements in our value chain.*

Human rights expertise

In 2018, **9 out of 11** member companies use legitimate processes to provide for, or cooperate in, the remediation of impacts on children associated with its supply chain:



	2015	2018
 Company uses legitimate processes	8	9
 Company does not provide remediation	3	2



Pledge in action

Member examples

Tackling child labour in Indonesia

The same scene plays out across rural Indonesia: the children finish school at around one o'clock, sometimes three. Typically, the head of the family expects the children to help out after school in some way because this is the common practice. The family farm is small, farm workers are not available, or may be too expensive for the household economics, and mechanized equipment is rare.

Against this general backdrop, child labour has been a persistent issue in tobacco growing areas in Indonesia. PMI's monitoring data show that children are most likely to work in the tobacco fields during the peak season (August - November), starting straight after school and working on stringing, harvesting or handling green tobacco. Our strategy to draw children away from the fields involves monitoring by the field technicians, training and awareness for parents regarding hazardous work in tobacco, removing the need for children to help on the farm (mechanising the stringing process for instance) and offering afterschool initiatives.

In addition to the above actions, a community-based initiative known as Rumah Pintar ('Smart House') was introduced in Lombok and Java in 2016, by PMI's Indonesian affiliate, its suppliers and local NGOs. Rumah Pintar are community facilities offering afterschool recreational and educational activities to the children of contracted farmers and workers. By 2018, the program had expanded to 34 villages and 14,561 children from 7 to 18 years-old. In 2019, the plan is to expand to 73 facilities. Two external surveys undertaken by the local NGOs involved indicated a significant reduction in child labour as a result of the Rumah Pintar. Children removed from child labour increased on average from 47% before the program to 82% in 2018. This initiative has achieved widespread recognition, including from the Government.



Prevention and remediation of child labour in Mexico

In Mexico, most of our company's tobacco leaf comes from the state of Nayarit. During the harvest season for tobacco, beans, chilies and other crops, nearly 50% of people employed by farmers are migrant workers, who frequently bring their children. The children often work in the fields with their parents, so they face safety hazards and miss opportunities for education and development.

Our company developed a programme to fight child labour in tobacco fields. We offer education and materials with the help of qualified teachers from preschool through primary school. In addition to classes, children receive medical attention, hygiene education, balanced meals and snacks, access to spaces for sports and play, and transportation to and from each center.

At the end of each cycle, students receive a certificate validated by the Department of Education in Nayarit. Since 2001, over 14,400 children have participated in programmes at 4 centres.

One of the main challenges has been the social or cultural acceptance of child labour in agriculture in general this rural part of Mexico. However, by providing consistent support to migrant workers and their children, the programme has become more successful every year. Many workers even choose to come back to communities served by the centres. Overall, the programme has been well received by the community, because of the jobs the Centres create, such as teachers, doctors, cooks, drivers and cleaning personnel.

Continuing progress against child labour

As part of its role to support members to implement the Pledge, ECLT Foundation will use the results of the second self-assessment to develop improvement plans with individual members. The individual improvement plans will include specific remedial actions and timelines and serve as an accountability mechanism of members towards the Foundation. Furthermore, the ECLT Foundation will continue to collect member examples of the Pledge in action.



About the ECLT Members Pledge of Commitment and Minimum Standards

Through this sector-wide agreement, Pledge Members have made a public commitment to uphold robust policies on child labour, conduct due diligence and provide for remediation consistent with the UN Guiding Principles on Business and Human Rights (UNGPs) and other international standards. The Pledge provides a coherent framework for businesses to confirm and strengthen commitments, align actions and generate supply chain efficiencies.

Signed on 10 December 2014, ECLT Members Pledge of Commitment and Minimum Standards provides a framework so members are better positioned to address the complex child labour problems holistically and throughout their respective tobacco-sourcing supply chains.

Future reporting

The third Pledge self-assessment data will be gathered in 2020. Results will be consolidated and a summary report made available publicly.





The ECLT Foundation

The ECLT Foundation is committed to collaborative solutions for children and their families that combat the root causes of child labour in tobacco-growing communities.

We advocate for strong policies, share best practices to multiply our impact, and engage rural families so they can benefit from farming while ensuring that their children are healthy, educated, safe from exploitation, and encouraged to reach their full potential.



ECLT Pledge of Commitment

Signatories

Alliance One International, Inc.

British American Tobacco (Holdings) Limited

Contraf-Nicotex-Tobacco GmbH

Hail & Cotton

Imperial Brands Plc

Japan Tobacco International & Japan Tobacco Inc.

Philip Morris International

Premium Tobacco

Scandinavian Tobacco Group

Swedish Match

Universal Leaf Tobacco Company, Inc.

International Tobacco Growers Association

ECLT Foundation

Witnessed by

ECLT Board Advisors:

International Labour Organization

External stakeholder input

The drafting of the Pledge benefited from inputs from experts and international development partners.

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